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NEWS SUMMARY

GENERAL

Smith pleads with whites

Rhodesian Prime Minister Ian Smith, speaking on the eve of today's crucial referendum, warned that if whites rejected the Government's plan the consequences would be "too grave to contemplate."

Mr. Smith said in a campaign message that a vote against a constitution based on black majority rule would drive moderate black nationalists into the arms of guerrilla forces.

The Government plan is for one-man, one-vote elections in April which would be followed by a government of national unity. Whites, outnumbered 27-1 by blacks, would hold more than a quarter of Cabinet posts.

Mr. Smith is opposed in the referendum by several groups of whites as well as the Patriotic Front supporters

Milan killing

A Milan deputy prosecutor was shot dead at the wheel of his car by four men, irsaing fears of a renewed terrorist campaign amid the latest Government crisis. Prime Minister Andreotti is expected to resign today following the withdrawal of Communist support for his minority Government. Page 2

Olympic deadline

The International Olympics Committee has given Los Angeles one month to settle a new financial wrangle over its staging of the 1984 Olympics. The dispute is over the exact method by which Games costs will be paid and the IOC said other cities would be invited to bid if a settlement was not reached by March 1.

Syria-Iraq link

Syria and Iraq are to merge their Foreign, Defence and Information Ministries as the first step towards unification. An announcement is expected at the end of talks which are going on in Damascus. Page 3

Tory alliance

The Conservative Party has made its first formal link with groups representing a range by industries by setting up the Private Enterprise Consultative Council, covering about 180,000 companies. Page 6

Britain on ice

Thousands of Britain's roads were in the grip of black ice yesterday. Many were closed and there were numerous accidents on others. The RAC said sections of road resembled battlefields. Forecast, Back Page

Paris blast

A bomb seriously damaged the library of the British Council in Paris but no one was hurt. Police found nothing after an anonymous warning, but as they left the bomb exploded.

Queue for song

London Transport is opening a bus route round the main West End shopping areas using buses equipped with tapes playing soft music, with advertising breaks. The service starts in April.

Briefly . . .

Israeli Foreign Minster Moshe Dayan began his two-day visit to Paris. Page 2

Schoolgirl, 16, killed one person and injured five with a rifle at a school in San Diego, California.

Three civil guards were injured by a bomb blast in the Basque town of Tolosa.

Joe Wade, leader of the National Graphical Association, wants to discuss the Times closure with Lord Thomson.

China's People's Daily may publish an edition in English.

BUSINESS

Equities fall 1.7; Silver at record

● EQUITIES drifted lower, with greater emphasis being put on secondary stocks. The FT Industrial Ordinary index closed at the day's lowest of 463.3, 1.7 down.

● GILTS were sensitive to the question of interest rates, the Government Securities index losing 0.02 to close at 66.54.

● SILVER reached an all-time record level of 331.2p an ounce,

up 2p. GOLD rose $¾ an ounce to close at $235¼.

● STERLING closed unchanged at $1.9950, the pound's trade-weighted index rising to 63.4 (63.3). The dollar's depreciation narrowed to 8.3 (8.5) per cent.

● WALL STREET was down 2.77 at 856.98 near the close.

Union firm on bank hours

● DELEGATES at a National Union of Bank Employees conference took a firm line against the general extension of bank opening hours. Where extended opening can be negotiated, the union will seek a 28-hour working week. Back Page

● BRITISH manufacturers of naval equipment are expected to secure sub-contracting work worth £100m when Argentina confirms its order for six frigates worth £500m from the West German yard of Blohm & Voss. Back Page

● PILKINGTON Brothers is to pay £14.5m for stakes in two Brazilian glass manufacturing companies, Companhia Produtora de Vidro (Providro) and Santa Lucia Cristais Blindex. Back Page

● BAYERISCHE Motoren Werke (BMW) plans to spend DM 3bn ($1.6bn) over the next three to four years on renewing its model range, modernising production and adding to capacity. Page 21

● CBI and Sir John Methven, its director general, were rebuked by Prices Secretary Mr. Roy Hattersley for criticism of the Government's proposed prices code changes. Page 12

● UK CLOTHING industry is poised to become one of the strongest in Europe, according to a report by the industry's economic development committee. Page 7

● BRITISH pharmaceuticals exports in 1978 reached a record £654.5m—18 per cent up on the previous year's figure.

● JAPAN'S exports to China grew by 57 per cent to a record $3.05bn (£1.5bn) in 1978, according to the Japan Association for the Promotion of International Trade. Page 5

COMPANIES

● THOMAS TILLING launched the next stage in its £100m U.S. expansion programme with a $15m (£7.5m) agreed cash bid for Summers Electric Company of Dallas. Page 19

● IMPERIAL OIL of Canada increased earnings by 7 per cent to C$314m (£132m) in 1978, from C$293m in 1977. Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Bambers Stores	135	+ 7
Barker & Dobson	14½	+ 1
Bellair Cosmetics	25	+ 4
Berisford (S. & W.)	168	+ 6
Brent Chemicals	210	+ 10
Brit. Car Auction	64½	+ 4
Dalgety	320	+ 7
Heath (C. E.)	225	+ 5
Hillards	218	+ 5
Home Charm	268	+ 6
Leyland Paint	95	+ 4
Lonrho	67	+ 3
MFI Furniture	201	+ 9
Macallan - Glenlivet	470	+ 30
Morrison (Wm.)	97	+ 5
Nash (J. F.)	80xd	+ 6½
Plaxton's	115	+ 5
Status Discount	245	+ 7
Stewart Plastics	174	+ 4
Vectis Stone	52	+ 5
Warnford Inv.	372	+ 12
Weir	90	+ 5
Wintrust	77	+ 4
Charter Cons.	146	+ 7
De Beers Defd.	444	+ 12
Deelkraal	123	+ 7
Impala	234	+ 16
Johannesburg Cons.	17¾	+ ¾
Lydenburg	100	+ 10
Pacific Copper	95	+ 5
RTZ	263	+ 5
Rustenburg	147	+ 9

FALLS

Treas'y Variable '81	£96[illegible]	− [illegible]
Beecham	600	− 5
Decca A	350	− 13
Glaxo	478	− 5
Laurence Scott	94	− 5
Liden	9	− 2
Norton & Wright	140	− 5
Sutcliffe Speakman	42	− 4

Government seeks union deal in three weeks

'Stop the rot' or Labour faces defeat Premier tells TUC

BY CHRISTIAN TYLER, LABOUR EDITOR

THE PRIME MINISTER asked the TUC yesterday to "stop the rot" and warned that unless the unions put their own house in order he and the Labour Government would face defeat if forced into an early election.

An emergency round of TUC meetings with Ministers on all topics in which the TUC has interest or influence is to continue this week and next. Mr. Callaghan told the TUC general council yesterday that he wanted an agreement sewn up in only two or three weeks' time.

The TUC team, led by Mr. David Basnett, the acting chairman, told Mr. Callaghan again that there was no chance of agreement on a pay limit, whether 5 per cent or higher, for this round.

The Government now hopes to persuade the TUC to exercise more authority over union bargaining, even if it cannot agree figures.

Mr. Callaghan said he would continue to seek pay settlements as close as possible to his Phase Four 5 per cent limit. There was no mention of a pay or price freeze.

Just as important as pay, however, was what the Government saw as the danger of unions getting a bad name because of pickets' behaviour, precipitate strikes, and low-profile leadership.

The two sides have agreed to a wide review of industrial relations including the operation of the closed shop—the first time this controversial topic has been raised by Labour for months—disputes procedure, secondary picketing, and protection of emergency services from industrial action.

Although Mr. Len Murray, TUC general secretary, talked afterwards as if an election was imminent, there are no signs that Mr. Callaghan actually wants one, only that he cannot be certain of surviving much longer than March.

Mr. Callaghan said he needed the TUC's co-operation on a wide front, not only to correct the union's poor public image and deal with criticisms about the growth of trade union power and breaches of procedure.

Mr. Murray said after the meeting that there was "no panic, just plenty of action."

Outlining the subjects for review, he said good trade union practice had to be established. Very occasionally there were bad practices.

"But this will not be on the basis of legal changes. On this, we and the Government, as far as I can gather, are as one.

"We told the Prime Minister quite firmly we are not in the business of negotiating norms or percentages," he said.

Asked whether the proposed agreement, which so far consists of headings rather than actual recipes, was not political window-dressing, Mr. Murray said: "Absolutely not.

"We are not in business to produce some kind of meaningless statement that would not hel pthe country. Nor are we looking for agreement at any price. It must be realistic or it would be seen as a sham by the country."

The agreement was designed to give the trade union movement some direction. Lack of common aims was part of the reason for the present bout of troubles, Mr. Murray said.

A special meeting of the TUC general council has been called for tomorrow week. Meanwhile Ministers wil ltalk to the TUC economic committee tomorrow on pay, prices and wider economic questions, and to the employment policy and organisation committee on Thursday about strikes, picketing and the closed shop.

Strike effects Page 8 ● Parliament Page 12 ● Editorial comment Page 16

Hauliers to revise national pay offer

By Nick Garnett, Labour Staff

ROAD HAULAGE employers decided yesterday to make a new national pay offer to striking lorry drivers based on the outcome of a local arbitration hearing which was taking place last night.

The Road Haulage Association's national committee of regional negotiating chairmen decided that all its areas would make the same cash offer on basic rates as that agreed by the arbitration panel sitting in Bristol.

Local arbitration was agreed at the weekend by Transport and General Workers' Union regional officials in the South-west and the Western area of the association.

The response to yesterday's developments by union representatives on regional negotiating committees within the industry was unclear last night.

A local arbitration settlement close to the unions claim for a £65 top rate would be enough, however, to tempt many union officials to settle regionally.

The three men on the arbitration panel are Mr. Frank Cousins, retired general secretary of the Transport Union, Mr. Geoffrey Jones, a Bristol solicitor, and chairman Mr. John Garnett, director of the Industrial Society.

Mr. George Newman, director-general of the Road Haulage Association, said that the agreement to make the arbitration decision nationally applicable had been taken in the "national interest."

It is partly an attempt to resurrect the idea of national wage settling and national arbitration as well as fixing the same wage rates throughout the industry.

It also reflects some weakening in the position of the association, which has previously maintained that hauliers cannot afford to offer more than a top rate of £60, worth 15 per cent with improved fringe benefits.

Mr. Newman said yesterday, that hauliers had made a net loss of about £20m during the strike, taking into account savings on wages and fuel.

The association expects that those companies which have settled below what turns out to be the arbitration decision will consider raising their pay rates to the arbitration level.

Mr. Alex Kitson, Transport Union executive officer, said that about 1,000 "hire and reward" haulage companies had

Continued on Back Page

Public service workers likely to step up action

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS in the week-odl campaign of disruption by 1.5m public service workers are likely to start laying plans to-day to intensify their action.

The four unions involved, at a joint planning meeting today, are expected to extend selective action, including strikes, to those local authorities which have so far escaped the effects of the co-ordinated union campaign over low pay.

Ambulance staff, dustmen, school cleaners and hospital ancillary workers are all likely to be involved in extended strikes, work to rules and overtime bans.

The General and Municipal Workers' Union said yesterday that its members in the ambulance services had already suggested a one-day national stoppage. In London, after their refusal last Monday to maintain emergency services in the capital, drivers banned the use of radio telephones except in emergencies and refused to check vehicles and equiment before use.

Health authorities warned hat troops would have to be called in if the position worsened and estimated the action would double the times for ambulances to reach patients even in emergencies.

Hospital ancillary workers were said to have reduced hospitals in some areas to emergency admissions only. Porters at two top teaching hospitals—Addenbrooke's Hospital, Cambridge, and St George's, in London — disrupted all but emergency services after going on strike.

Elsewhere action ranged from school-caretakers strikes, which are said by unions to have closed 1,300 British schools, to strikes in Liverpool by grave-diggers whose extended action yesterday meant that bodies had to be stored in chapels of rest.

Dustmen have been prominent in action taken in a number of London boroughs as well as elsewhere in the country.

In addition protests by water workers at a 14 per cent pay offer extended yesterday to Merseyside where 350 went on unofficial strike to join their counterparts in many other areas of England and Wales.

Mr. William Rodgers, Transport Secretary, said in a written parliamentary reply yesterday that the Government had contingency plans for using troops to salt icy roads

Pay talks with local authority employers leaders will resume today and unions expect an improved offer of around 8 per cent compared with the rejected 5 per cent.

Amex raises McGraw terms

BY STEWART FLEMING IN NEW YORK

AMERICAN EXPRESS yesterday pulled back from the prospect of a protracted and damaging takeover battle for McGraw-Hill. It promised to raise its bid from $34 to $40 a share but only if the publishing company's directors do not actively oppose the deal.

The American Express move puts a price of nearly $1bn on McGraw-Hill and obliges the company's directors to justify to shareholders continued opposition to the more generous terms.

But McGraw-Hill's initial response suggested strongly that the company is not about to abandon its fierce battle for independence.

In an official statement it said it was gratified that American Express "has now seen fit to withdraw its unilateral proposed tender offer at $34 a share." It added that "the board of directors of McGraw-Hill has previously set forth its position as to the legality and appropriateness of any combination of McGraw-Hill and American Express."

That position was set out in the formal rejection of the initial offer of $34 a share on January 15 in a letter the hostility of which surprised the American Express.

In that letter McGraw-Hill accused American Express of "impulsive, precipitous and immature actions," and described the takeover approach as "illegal, improper and unsolicited." It subsequently launched lawsuits against American Express, questioning its integrity and the role of its president, Mr. Roger Morley, who was a director of McGraw-Hill until the bid was announced.

The tone of McGraw-Hill's response yesterday and the speed with which it was made suggested that the company's board has already prepared its position should American Express raise its offer.

The McGraw-Hill board meets again tomorrow.

American Express set out its charged policy in an eight-page letter to the McGraw-Hill board. In it Mr. James D. Robinson,

Continued on Back Page
Lex Back Page

GENERAL STABBED IN TEHRAN

Bakhtiar grip on Iran may be slipping

BY OUR FOREIGN STAFF

DR. SHAHPOUR BAKHTIAR'S Government appeared almost totally to have lost control of events in much of Iran yesterday as the streets of Tehran were again the scenes of bloody rioting.

Scores of protestors were killed and hundreds injured. Dr. Bakhtiar's shadowy Government seemed unable to fill the political vacuum left by the departure of the Shah and the non-arrival of the Ayatollah Khomeini, the exiled religious leader.

Cancel

One of the most disturbing signs of the growing anarchy in the capital, where an Iranian general was dragged from his car by a mob and stabbed, is that Dr. Bakhtiar's control over the increasingly ragged military units seems limited.

Dr. Bakhtiar was forced to cancel his planned peace mission to Paris when the Ayatollah refused to see him.

Enraged crowds, embittered by the shootings of the past few days, swept through south Tehran. Night clubs, restaurants, brothels and a brewery were set ablaze. Attacks on foreigners show that the general xenophobia is leading rapidly to physical assaults.

Late on Sunday, an American major was shot twice in north Tehran. The Iranian general stabbed yesterday was named by the State radio as Taghi Latifi, chief adjutant of the 78,000-strong gendarmerie. He was seriously ill later in hospital.

Executions

It is not clear who is giving the orders to the Army in Tehran. Most of the military units involved in the shootings are professional troops, not conscripts.

However, outside the capital, and patricularly in the air force, summary executions of anti-Shah officers are reported to have been carried out.

The Ayatollah called from Paris for those soldiers "not stained with the blood of the people" to end their support for Dr. Bakhtiar.

It is not clear, however, how far they are supporting him. The mounting number of attacks on soldiers by crowds and the emergence of urban guerrillas is likely to make the generals more intransigent and fearful of their future.

Dr. Bakhtiar's Press conference, at which he announced that he would not go to Paris, does little to reassure those in Tehran who believe that the country is heading towards anarchy if not civil war.

The Prime Minister said, however, that the Ayatollah was free to return to Tehran and that the airport would be opened within hours. Tehran and other other airport were closed last week to prevent the Ayatollah's return.

Poster

The failure of the government to facilitate the Ayatollah's return has made the crowds angried and more militant.

Many arms are in the hands of the opposition to Dr. Bakhtiar and the Shah. A wall poster gives instructions on how to use a rifle. Dr. Bakhtiar's attempt to form a compromise government that would satisfy some demands of those who support the Shah and those who oppose him is foundering in what is beginning to look like an incipient civil war.

Iran's opposition Page 3

Ambassador held hostage

COPENHAGEN — Between 15 and 20 Iranian protesters were barricaded in their country's Copenhagen embassy last night, holding the woman ambassador hostage.

Mrs. Mehrangiz Dolatshahi and her secretary were in the hands of an anti-Shah group. It was not known whether the protestors were armed.

Anti-terrorist police had entered the lower floors of the mission. Coffee, tea and other provisions were sent to the top floor after a telephone request to police from the demonstrators.

Reuter

£ in New York

—	Jan. 26	Previous
Spot	$1.9940-9950	$1.9950-9960
1 month	0.45-0.40 dis	0.44-0.40 dis
3 months	1.30-1.25 dis	1.35-1.28 dis
12 months	4.30-4.15 dis	4.30-4.15 dis

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Italian political crisis deepened by terrorism

BY RUPERT CORNWELL IN ROME

AS PREMIER Sig. Giulo Andreotti prepared for the demise of his Government, extreme left-wing terrorists yesterday stepped up their *onslaught with the assassination* in Milan of one of Italy's leading younger magistrates.

The killing of Sig. Emilio Alessandrini, 37, the city's deputy public prosecutor, who was deeply involved in investigations into both neo-Fascist organisations and the Red Brigade, has heightened the tension surrounding the latest Government crisis.

The outrage, coming only five days after a Communist shop steward was murdered in Genoa, *cannot fail to exert an influence* on developments here, and harden the general resolve of politicians to avoid plunging Italy prematurely into the extra uncertainty of a lengthy general election campaign.

The Prime Minister spoke of the latest assassination when he appeared before Parliament last night—the first stage of a process expected to culminate in his resignation either today or tomorrow, following the withdrawal of Communist support for his administration last Friday.

Sig. Andreotti dwelt above all *on the economic turn-around in* the country under his two Governments since July 1976. Inflation had been halved from 23 *per cent to 12 per cent*, a payments deficit of $2bn had been transformed into a record surplus of over $8bn in 1978, and gross *reserves* had risen to $29bn.

He also confirmed that Italy last year recorded its first annual trade surplus since World War II.

All this, the Prime Minister declared, contrasted vivdly with the *initial* stages *of his* administration, when the country was forced to negotiate an essential loan fro mthe IMF and when ti *had reached "the brink of* ungovernability."

The three-year economic plan unveiled this month—and which would have been debated last night, had the present crisis not intervened—would provide a solid basis for recovery to continue.

Meanwhile, political leaders of all parties expressed their shock and sorrow at the death of Sig Alessandrini. It was announced last night that Sig. *Sandro Pertini*, the Italian President, will be attending the funeral lateer this week.

Responsibility was later claimed by the left-wing Prima Linea (Front Line) organisation, closely linked, it is believed, with the Red Brigade. Sig. Alessandrini s the group's seventh victim in less than a year.

The outrage has completely overshadowed the latest success of anti-terrorist police over the weekend. Six suspected *extremists were arrested in two* hide-outs in Turin, including a German girl named as Ingeborg Keiznach. They are believed to have been involved in the kidnapping last spring of Sig. Aldo Moro, the former Prime Minister—and the presence of a German among them reinforces the conviction that close links exist between the Red Brigade and the West German Red Army Faction terrorist group.

Budget dispute splits the Nine

By Guy de Jonquières, Common Market Correspondent in Brussels

A SPLIT has developed between governments of the Nine over how to deal with the constitutional dispute which has *arisen* from the European Parliament's decision to vote a substantial increase in the EEC regional *fund* as part of this year's Community budget.

Britain, France and Denmark have indicated they intend to turn the issue into a test of wills between the Council of Ministers and the Parliament by refusing to contribute sufficient funds next month to cover the expenditures provided for in the final budget draft approved by European MPs at the end of last year.

Their decisions are intended to drive home their argument that the Parliament acted illegally by exceeding its authority to amend proposed budgetary expenditures and that the draft which it voted *is therefore constitutionally* invalid.

Accordingly, the three governments are proposing to invoke an EEC rule which states that, in the absence of an agreed budget, member-states shall contribute each month one-twelfth of the expenditures in the budget draft after its first reading by the Council. The difference between the two drafts is *480m* units of account (about £330m) out of a total budget of about £10bn.

Other governments have also voiced misgivings about the *legality* of the Parliament's action. But most of them appear prepared to make the contributions required by its *version of the budget, at least* temporarily, while further efforts are made to achieve a negotited political compromise *between the Council and Parliament.*

The Commission is due this week to consider a compromise proposal, calling upon the Parliament to approve a special supplementary budget

Jenkins jumps to defence of Haferkamp

By Our Brussels Staff

MR. ROY JENKINS, President of the European Commission, yesterday intervened publicly to defend his German colleague, Herr Wilhelm Heferkamp, against Press accusations that he has been incompetent and has made extravagant use of his expense accouat.

Mr. Jenkins made a statement that he had full confidenc ein Herr Haferkamp's performance as Commissioner responsible for external relations, and that his achievements and the value of his working relationships inside and outside the EEC were in no doubt. The statement did not seek to rebut directly charges that Herr Haferkamp had on several occasions indulged in excessively lavish spending while travelling abroad, but merely said his expenses were subject to internal Commission control procedures, the nature of which was not specified.

The controversey about Herr Haferkamp' sconduct has arisen from an article in the current edition of the Economist, which identifies several occasions on *which he has spent surprisingly* large amounts of Commission money on hotel suites, car hire and official receptions. The *German Commissioner*, a former trade union official, has not denied the incidents described in the article, saying only that *they were taken out of context.* The Commission has declined to divulge further information on expenditure by Herr Haferkamp or his colleagues.

THE ROMANIAN FOREIGN MINISTER IN MOSCOW

Claiming the freedom to differ

BY ROGER BOYES

MR. STEFAN ANDREI, the Romanian Foreign Minister, has arrived in Moscow for a week-long visit which is designed to ease some of the strains in relations between Bucharest and Moscow. East European diplomats, however, believe that Mr. Andrei will have a difficult time convincing Soviet leaders that Romania, the wayward member of the Warsaw Pact, genuinely wants a rapprochement.

Only days before Mr. Andrei's arrival yesterday, Romania criticised Comecon for maintaining "wrong *stands affecting* the principles of sovereign management of the economy." This was a tacit criticism of Soviet-inspired attempts to impose a greater degree of integration on the economic organisation.

Other serious issues also divide Romania from the Soviet Union. President Nicolae Ceausescu has recently opposed efforts to raise defence spending in the Warsaw Pact, he has encouraged Egyptian-Israeli peace talks in the wake of the Camp David talks, he has displayed a strongly independent line on China and he has criticised the Vietnamese-supported *invasion of Cambodia.*

Mr. Andrei's task will be to convince Moscow that these recent policy statements do not *represent an open defiance of* the Soviet Union but are simply a function of Bucharest's independent policies. For the Soviet leadership, however, this distinction is largely academic.

The Soviet Union's main bone of contention with Romania is that the latter has chosen to publicise the differences between the two countries. Western experts believe that the main thrust of the Moscow talks will be to persuade Romania to to keep any disagreement under wraps, rather than actually settiing disputes.

At the Warsaw Pact summit in Moscow last November, President Ceausescu adamantly refused to increase his country's defence budget or to ensure closer integration of the Romanian armed forces in the Warsaw Pact command structure. This was not altogether unexpected—Romania has long refused to have any Soviet troops on its territory— but Mr. Ceausescu chose to make the differences public, thus violating a long-standing agreement to keep Warsaw Pact issues secret.

Romania has also recently refused to sign an Eastern bloc communique denouncing the Camp David talks. Mr. Andrei will almost certainly argue during his stay in Moscow that Romania *had little choice*—as the only East European country to recognise both Israel and the Arab countries, Bucharest was obliged to encourage Camp David and the subsequent peace talks.

Mr. Andrei then, though apparently well-liked by the Soviet leadership, will have problems during his visit. He is due to have talks with Mr. Andrei Gromyko, the Soviet Foreign Minister, and may meet Mr. Leonid Brezhnev, the Soviet President. Mr. Brezhnev rather pointedly passed through Romanian territory without stopping on a recent train trip to Bulgaria.

The Brezhnev visit to Bulgaria was understood to be a signal to Romania that Balkan countries which remained faithful to Moscow could expect top-level treatment. Western strategists believe that one of the principal Soviet fears is that Romania's brand of independence should spread to Bulgaria, thus undermining the reliability of the south-western flank of the Pact.

The *Soviet Press* has played down Mr. Andrei's visit, which has been portrayed as simply repaying a visit by Mr. Gromyko to *Bucharest last year.*

Moscow death sentence

BY OUR FOREIGN STAFF

MR. STEPAN ZADIKYAN, a leading Armenian dissident, has been sentenced to death by a Soviet court on charges of causing an explosion two years ago in the Moscow underground railway. Professor Andrei Sakharov said in Moscow that Mr. Zadikyan's relatives were informed of the death sentence last Friday, but that there were still no details of the trial.

At the time of the explosion, on January 8, 1977, Soviet informants said at least four passengers were killed and several injured when the blast ripped through a carriage of an underground train approaching Pervomayskaya station. In June, 1978, the Soviet news agency, Tass announced that several people had been arrested in connection with the blast, but gave no names.

Mr. Zadikyan is 33, and a former student at Yerevan University. He was arrested with two other young Armenians in November, 1977, and accused of conspiring to plant a bomb at Moscow's Kursk railway station, according to Armenian dissidents. But until yesterday there was no hint that they were also to be charged with causing the fatal underground blast.

Mr. Zadikyan was a member of the Armenian nationalist group, the National Unification Party (NOP). NOP's goal is the unification of the Armenian lands including Turkish Armenia and Karabach Nakhichevan, a part of Soviet Azerbaijan. The Soviet authorities cracked down on the group and Mr. Zadikyan was one of the first to be arrested.

EEC intervenes in Veba deal

BY ADRIAN DICKS IN BONN AND GILES MERRITT *IN BRUSSELS*

BRITISH PETROLEUM and Veba face a further delay in putting into effect the *DM 800m* deal agreed last summer, following an unexpected, last-minute intervention in the case by the European Commission in Brussels

There was uncertainty in both Bonn and Brussels last night *about the reasons for the* last-minute Commission intervention. It had previously been understood in Bonn that neither the Comptition nor the Energy directorates had any reservation about the deal.

The Commission confirmed in Brussels last night that it is launching an investigation into the proposed deal to determine whether or not it infringes the Rome Treaty's competition rules.

According to Commission officials, particular concern is being caused by the fact tht the deal would place shareholdings totalling 65 per cent of the equity of West Germany's giant Ruhrgas concern in the hands *of four oil majors. Hearings are* therefore to be held in Brussels in the near future at which representatives of BP, Shell, *Esso an dMobil will be invited* to attend.

The Commission probe is aimed at establishing whether or not the deal would *infringe* articles 85 and 86 of the Treaty of Rome. The Competition directorate is believed to be concerned *that the competitive* structure of the European oil and gas industry might be threatened. The investigation, *which is expected to be con*cluded in a matter of weeks, will also analyse energy supply and financial control patterns in the *European industry.*

There is no suggestion, however, that Shell, Esso or Mobil should be required to change their *shareholdings in Ruhrgas.* The Commission's inquiry is expected to discuss ways in which BP might modify its *shareholding*, or limit its voting power. Commission officials have indicated that the BP-Veba deal would be more acceptable if it resulted in the four oil majors controlling just under 50 per cent of Ruhrgas.

Ss soon as the Commission's *interest* was communicated to Bonn, Count Otto Lambsdorff, the West German Economics Minister, made known that he would await the outcome of its deliverations before announcing his own decision whether to let the deal proceed.

It was understood *in Bonn* that the Brussels Commission is interested in an aspect of the complex exchange of holdings *between the two energy groups* that has not aroused much notice hitherto — the foothold that BP would acquire, through *its proposed 25 per cent stake* in Ruhrgas, in an experimental Government-backed plant to produce methane from coal.

Ruhrgas is co-operating in this field with Ruhrkohle, the principal West German hard coal producer, and a pilot plant *is expected to start up at* Dorsten, not far from Essen, during the course of this year.

It was believed in Bonn that *the Commission experts were* alerted to the possible conflict of interest arising for BP, a leading world supplier of *natural gas, if it should in a* few years' time find itself part-owner of a process for extracting a directly competing fuel from Germany's plentiful coal reserves.

The objections raised to the deal by the West German Cartel Office and Monopolies Commission, which Count Lambsdorff must now decide whether to overturn, have been centred around the control which the two bodies fear the international oil majors would jointly acquire over the country's leading natural gas distributor.

BP and Veba offered during a hearing ten days ago in Bonn to modify shareholdings in Ruhrgas in a way that might partially meet these objections.

In addition to 25 per cent of Ruhrgas, Veba wants to sell to BP 5.3m tonnes of refinery *capacity*, a 31 per cent *stake* in the Wilhelmshaven liquid methane importantion project, and a distribution and sales *network* that includes over 1,000 filling stations. In return, Veba would get DM800m cash and a contract running until 2000 for 3m tonnes guaranteed crude from BP at market prices.

Spanish air strikes disruption

BY DAVID GARDNER IN BARCELONA

SPAIN'S air traffic controllers began a work to rule over the week-end. Severe disruption of Spanish air traffic is likely if *the three 24-hour strikes called* by the staff of Iberia, Spain's national airlines, take place early next month to compound *the* industrial trouble.

The air traffic controllers, in common with other sections of labour, including engineering *and car workers, are fighting* the Government's wage ceiling of 11-14 per cent for this year. This ceiling was pushed through by decree after the collapse of negotiations between the trade unions and employers.

The lower figure in the wage band is meant to apply to public employees, but while national railway workers are due to settle for a 15 per cent rise, the controllers are complaining that they are not even being offered the 11 per cent increase.

Nor, they add, have promised improvements in their equipment and conditions been carried out.

Flights were reaching Barcelona on Sunday up to three hours late, with smaller delays in Madrid. Yesterday, traffic was cut by 10-20 per cent.

The Iberia staff will be calling 24-hour strikes on February 6, 9, and 14, in a bid to force the management into accepting three conditions prior to opening wage negotiations. These conditions were designed to *bring the wages of ground staff* into line with flight staff.

Air travellers may be further inconvenienced by strikes called by Spain's 17,000 travel agency workers for February 1, 8 and 9, after sackings and suspensions followed token stoppages in the sector last week.

Dayan seeks to break the ice in Israeli—French relations

BY ROBERT MAUTHNER IN PARIS

THE ISRAELI Foreign Minister, Mr. Moshe Dayan, yesterday began a two-day official visit to France with the avowed aim of improving the cool relations between the two countries, which have existed ever since the Six-Day War in 1967.

Mr. Dayan's visit, which opened with talks with his French opposite number M. Jean Francois-Poncet, was the first to France by any member of the Israeli Cabinet since Mr. Menahem Begin became Prime Minister two years ago. Mr. Dayan was also due to see M. Raymond Barre, the French Prime Minister, later yesterday.

In spite of the good intentions behind the visit, however, there seems little prospect of a real repprochement between the two sides. Though, outwardly, relations have been less hostile since the election of President Giscard d'Estaing in 1974, the respective positions on how a Middle East settlement should be achieved remain far apart.

Since the very beginning, the French Government has looked askance at attempts by Israel and Egypt to reach a separate agreement, and has repeatedly stressed that a lasting settlement must involve all the parties to the *conflicts, including* the Palestinian people. France has always insisted that the latter should be given their own "homeland," *a word* first coined by President Giscard.

In a television interview at the weekend, Mr. Dayan regretted that France and its European Community partners had not sufficiently encouraged and helped Egypt and Israel to conclude a peace treaty. But he praised France for always having been *frank in its dealings* with Israel and added that he would surely not have been invited to France if the French Government *did* not desire an improvement in relations.

Regarding the contents of a possible peace treaty with Egypt, Mr. Dayan *said* that before Israel evacuated the Sinai Desert, it must be sure of being able to purchase the oil *that it will no longer obtain* from Iran either from Egypt or another supplier.

More trouble for Irish Post Office

By Our Dublin Correspondent

THE LONG-STANDING dispute involving Irish Post Office engineers *seems to be over with* the acceptance by a considerable majority, of proposals on a new pay and productivity scheme. *But the news has* brought little cheer to Post Office users who now face considerable disruption from early next month over a 37 per cent pay claim by other Post Office workers.

The engineers' dispute crippled the telephone system last year and brought the country considerable adverse publicity. It has also slowed down attempts to modernise the inadequate Irish telecommunications system.

The new deal proposes ways of measuring the savings produced by new technology and changed work practices by the engineers, and was accepted by more than two to one, which should reduce the threat from militant Dublin branches to block any settlement.

National agreements

The massive claim from other workers, including telephonists *and postmen*, reflects *the feeling* in several sectors of the public service that other grades have leapt ahead of national wage agreements *during* the last three years.

The pay claim is outside even the guidelines suggested by trade union leaders of 15 per cent for the coming year, which in turn is considerably more than the Government considers the country can afford.

The Government is concerned about signs that the current round of wage claims is beginning to look uncomfortably like what is happening in the UK and both the Minister for Finance and the Prime Minister, Mr. Lynch, this week urged Irish trade unionists to look to countries like Germany for their example rather than Britain.

Portuguese banking clean-up

BY JIMMY BURNS IN LISBON

THE FINANCE MINISTRY has given *Portugal's nationalised* banks and main credit institutions one month to present their accounts and clarify their plans, *in an attempt to increase bank*ing efficiency and centralise decision-making.

The order was given in a circular signed by Sr. Jacinto Nunes, Portugal's Finance Minister, and issued earlier this month through the Bank of Portugal. *Its* contents are only now becoming widely known, and are believed to be puzzling, if not alarming, the banking sector.

The circular asks each bank to file a report under four basic headings: main problems; operations being undertaken or planned; suggestions as to how to solve problems which have arisen; and other activities.

The circular is essentially *designed to impress Portuguese* bankers with the need to raise professional standards, particularly the need to adhere more strictly to the *monetary policies* agreed last year with the International *Monetary Fund (IMF).*

Ceilings on domestic credit were overshot and the IMF has told the Bank of Portugal that *balance sheets should be more* carefully scrutinised.

The circular, justifying the latest initiative, refers to the *need to know clearly and objec*tively the banking community's problems "which are not normally stated in annual reports."

It *appears to warn* against window-dressing of balance-*sheets at a time when* the government's stabilisation programme is adversely affecting the domestic economy.

The circular has come at a particularly sensitive time, as the three-year terms of most top managers are due to end *next month.* Several important changes could be made, and the circular may be the first step towards reforming Portuguese banking.

EEC business optimism

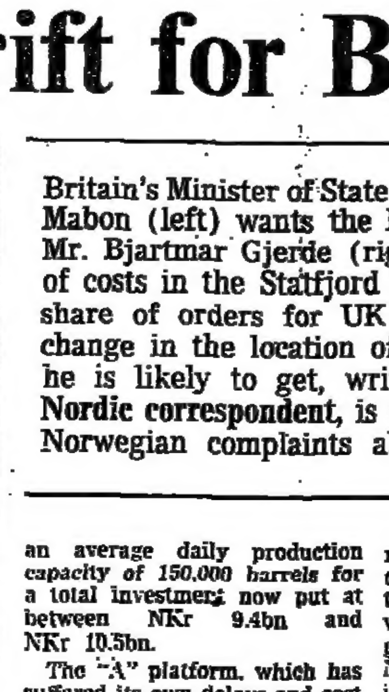
BY GILES MERRITT IN BRUSSELS

SHORT-TERM prospects for industrial production in the EEC continued to improve last month, according to the latest survey released by the European Commission.

Of the chief executives in manufacturing industry throughout the Nine that were surveyed, *a majority of 14 per cent* expected industrial production *to rise during the first quarter* of 1979. In the UK, the proportion of those interviewed who anticipate increased production for the period was 31 per cent greater than those who did not, second only in the EEC to Ireland, where the majority was *42 per cent.*

THE DEVELOPMENT OF THE STATFJORD FIELD

Short shrift for British complaints



Britain's Minister of State for Energy Dr. Dickson Mabon (left) wants the Norwegian oil minister Mr. Bjartmar Gjerde (right) to tighten control of costs in the Statfjord development; a bigger share of orders for UK suppliers; and for a change in the location of platforms. The most he is likely to get, writes William Dullforce, Nordic correspondent, is sympathy and a list of Norwegian complaints about British attitudes.

DR. DICKSON MABON, British Minister of State for Energy, can expect both understanding *and a sharp riposte when* he arrives in Oslo next week to follow up the toughly-worded letter he sent to Mr. Bjartmar Gjerde, Norway's Oil and Energy Minister, in December. It was a complaint about escalating costs of the Statjord field development and the lack of supply contracts for British companies. The understanding will come over the costs issue; the counter-attack over the supply contracts.

Dr. Mabon will get a firm no to his suggested change of plan for the location of the second Statfjord platform to allow it to be placed in the northern part of the reservoir, allowing the third platform to be placed in the British sector. Dr. Mabon has argued that such a relocation could save up to $1bn in *total development costs for the* field.

The majority interests among the oil company licencees are understood to have rejected Dr. Mabon's arguments in a specially commissioned report submitted earlier this month. They found that relocation of the "B" platform now under construction at Stavanger would delay development and increase costs.

Moreover, the concrete structure ordered had been designed specifically for the seabed conditions of the southern site.

The report was drawn up by a group of licencees including *the* Norwegian State oil company, Statoil, the operating company Mobil, the British National Oil Corporation (BNOC), and Conoco, which has a share in both the Norwegian and British sectors of the field. BNOC is understood to have opposed the majority conclusion but the Norwegian Government feels it has the backing to resist further pressure on the issue from Dr. Mabon.

The Statfjord field is the largest in the North Sea with estimated recoverable reserves *of 400m tonnes of oil and 70bn* cubic metres of gas, by Norwegian calculations. It straddles the dividing line between the Norwegian and British sectors with 88.8 per cent of the reserves estimated to lie on the Norwegian side. Statoil has a 44.4 per cent stake in the field while BNOC's share is 3.7 per cent.

Statfjord, potentially the most profitable North Sea oil discovery, has become something of a test case both for the companies and the two Governments. Statoil's latest estimate of the total costs for the Norwegian share of the field is around NKr32bn (£3.15bn). This represents an advance of close to NKr 4bn last year alone.

Statoil calculates that the internal rate of return on the investment after tax could be as low as 14 per cent with the "B" platform returning only 12 per cent. This compares with original, admittedly optimistic, estimates by companies of up to 45 per cent on the field as a whole.

British complaints have concentrated on the "B" platform, which had to be redesigned when the Norwegian oil directorate complained about safety features on the original project.

The "B" platform will have an average daily production *capacity of 150,000 barrels* for a total investment now put at between NKr 9.4bn and NKr 10.5bn.

The "A" platform, which has suffered its own delays and cost growth, is planned to give 300,000 barrels a day for an investment of about NKr 8bn.

It is not only the British who have been complaining about these figures. The Norwegian Labour Government has been subjected to a hammering from the Opposition in the Storting (Parliament). Mr. Gjerde has taken the steam out of these attacks by agreeing to an independent inquiry into North Sea costs.

Nothing definite has yet been announced, but the Minister is thinking on the lines of a three-man team. It would be free to employ foreign consultants, to organise its work in its own way, to examine all existing government regulations on *North Sea* operations, and to investigate current bid management practices of the operating companies.

The last point will be of particular interest to Dr. Mabon, who has argued that costs in the Norwegian sector could be reduced substantially if the number of companies invited to bid for supply contracts were enlarged.

He had in mind the contract for the concrete gravity base structure for the Statfjord "B" platform, which was awarded directly to Norwegian Contractors on technical and operational grounds, and for the platform's steel deck, for which *only three Norwegian* companies

Otherwise, on the issue of more contracts for British companies, Dr. Mabon is likely to get little change from Mr. Gjerde. The Norwegians dispute the claim that only 6-7 per cent of the Statfjord "A" work went to British companies, putting the figure at between 10 and 15 per cent, which is regarded as in keeping with the British stake in the field. They also argue that Britain must look at its share of the total field development, not just of individual platforms.

Dr. Mabon should be prepared, too, for more aggressive arguments from the Norwegian Minister. He is likely to point out that Norwegian companies have won orders representing only 0.2 per cent of the investment in the Murchison field, which also straddles the dividing line and in which Norway has a 16-17 per cent share.

The value of contracts awarded to the Norwegians in the British sector has fallen drastically since 1974 and 1975 and Norwegian companies complain that they have been inexplicably excluded from lists of bidders.

Dr. Mabon already has won a concession from the Norwegians. The lists of bidders invited to tender for the 10 remaining "packages," which will complete the equipment of the Statfjord "B" platform, have been enlarged by Mobil, the operator, to allow two British companies to bid for each contract instead of one.

The first contract—for accommodation—went to a Norwegian company, although Blohm and Voss, a German concern, put in an offer that was some NKr 2m lower. The Norwegian Industry Ministry "*asked*" *Mobil* to accept the Norwegian tender but argues that the price difference was very narrow and that its intervention was exceptional. The second module contract was awarded last week to another Norwegian company on a strictly commercial assessment.

The Norwegian Government's position is that it has a common interest with the British Government in taking action on North Sea cost escalation. The Norwegians are now pushing to raise production in their sector to the 90m-tonne ceiling set by the Storting.

The Government, through Statoil, also has larger stakes in its fields than the British State has in British sector developments and stands to suffer heavier reductions in tax income, as costs erode the profitability of fields.

But, as the Norwegians see it, the desire to maximise income from North Sea oil and gas conflicts *to some extent with both* Governments' interest in promoting their domestic offshore supply industries.

Here, protectionist practices could harm chances for both industries to win contracts in third markets and the Norwegians *believe* British policy is more protectionist than their own.

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IRAN'S OPPOSITION

Waiting for Khomeini

BY ANDREW WHITLEY IN TEHRAN

AFTER ALL the false alarms and manoeuvring in Tehran and Paris over his return, when Ayatollah Khomeini finally steps off the plane at the capital's Mehrabad airport, the authorities permitting, he will be confronted by a sea of people surpassing in number any seen here in the mammoth demonstrations of recent months.

Tehran is in uproar. Emotions are running high. But the relative calm with which each twist and turn in the saga of his return has been accepted by the vast majority has been remarkable. When serious violence has taken place it has been usually initiated by the authorities and has involved relatively small groups of young people.

For days buses have been pouring in from the provinces bringing in hundreds of thousands of people wanting to show their solidarity and pay their respects to the man whose steadfast opposition to the Shah from his place of exile eventually forced the monarch's departure.

But the appearance of unity behind the 78-year-old religious leader in his scheme for a new order, an Islamic republic and a more traditional life style is deceptive. The crowds will turn out in their millions for the occasion—the high point of their new-found political freedom—but, for many, the purpose will be to greet him rather than consciously to endorse a fundamental change in the country's social and political direction.

Despite the risks involved in going against the tide, there were protests when local newspapers and the Ayatollah himself described previous mass rallies as referendums on an Islamic republic. At the eleventh hour those professional middle-class Iranians who have remained silent throughout the past year have started organising themselves to make their voices heard.

Inevitably the accusations have been frequent that their "group in support of the constitution and social democracy" is a cover for efforts to promote the standing of Dr. Bakhtiar, the Shah-appointed Prime Minister of the past three weeks, and even to engineer conditions for the Shah's return. An element of stage-management cannot be ruled out, but, undoubtedly, many previously apolitical Iranians do want to support the middle way that will allow them to retain something of their previous lifestyle.

In the wake of this movement have come the pro-Shah gangs of stick-wielders long feared by Iranians, especially remembering the way in which the Shah was brought back to power in 1953 after three days in forced exile. In the short term it is hard to imagine what those behind these gangs hope to gain, apart from straightforward intimidation and repression.

It would be a mistake to write off the chances of the Shah being brought back to Iran, either through a military coup whose leaders would then invite his return, or else through his biding his time until the former Opposition collapsed as a result of its own internal disputes. The senior officers of the armed forces are still solidly Royalist (though the junior ranks are steadily disintegrating) and they co-operate closely with courtiers and the many influential families who made up the ranks around the Shah, watching how the situation develops.

Pro-monarchy feeling is still widespread, especially among more traditional households. Certain pockets of the countryside are also loyalist. But apart from the army there are no poles around which they can coalesce. The complete failure of Rastakhiz—the three-year experiment in creating a mass movement to underpin the throne—removed one possible channel.

Parliament, meanwhile, consists of the Right-wing Pan-Iranists who have been strangely quiet in recent weeks, various pro-Khomeini splinters and a rump of undecided loyalists. All were elected on a Rastakhiz ticket in 1975 and count for little now.

The emergence of the Left, with attempts to establish a broad front ranging from a small group of socialists and western-style Social Democrats through to the pro-Moscow Tudeh party, has been a phenomenon of the past month.

Before the present crisis broke in full force, no one would have put the number of Left-wing sympathisers in Iran at more than 2 or 3 per cent. Activists were probably no more than 1,000, drawn mainly from the universities and the artistic community. The old Tudeh party which was such a force in 1953 is a pale shadow of its former self, largely discredited by its constituency in Iran (*if not in Moscow and Berlin*).

Nevertheless, the bogy of a Communist takeover, exploiting Iran's internal divisions, is still alive in some circles here and in the West. In a rash moment, soon after coming to power, Dr. Bakhtiar himself revived the theme. But his talks of "Communist agents" slipping over the border and the supposed arrest in the Tehran bazaar of "192 armed Afghans in suspicious circumstances" (nothing further has been heard of the matter) is dismissed by *most politically-aware Iranians*.

Speculation of a Communist bid for power is unjustified. First there has been no hint of any separatist feeling, used as a vehicle by Moscow in the past. Indeed, most of the independent-minded Baluch tribes are pro-Shah because his regime turned a blind eye to their cross-border smuggling in and out of Pakistan. Secondly, the Left is fractured into at least a dozen separate groups, without one dominant force around which the others could group if necessary.

Tactically the Left recognises *that it has to go a long way* along the Khomeini road. Indeed most of them have yet to part company with the main anti-Shah stream. Much of the pressure to organise themselves has come in response to attacks from increasingly vocal religious zealots.

During the short-lived premiership of Mr. Jaafar Sharif-Emami last autumn, the country's doors were opened to the many thousands of self-exiled Iranians who had chosen to stay abroad during the 15 years of repression after 1963. Their return strengthened the ranks of the Left in particular; though knowledgeable sources say many of the returnees were lost in the midst of a genuine revolution.

Once back in Iran, the best known of the groups which used to fight the Shah from abroad, the Confederation of Iranian Students, announced that it intended to organise the 150,000 students in universities here as well. Lately the other party in exile, the Tudeh, has also moved energetically to make up lost ground. It decided about a week ago to take up arms, apparently because it feared a coup, though it has yet to show its hand.

Apart from the Tudeh, the only other clandestine groups committed to armed struggle are the Cherikhaye Fedayin-e-Khalq, or people's guerrillas, and some tiny splinter groups on the extreme right.

Altogether there are 10 *Marxist-Leninist factions.* The most important is a breakaway from the Islamic guerrillas of the early 1970s, the Mujaheddin. Now known under the impossibly long title of the Sazmane Peykar da Rahe Azadieh Tabaqe Kargar, translated as the Organisation Struggling for the Freedom of the Working Class, their red banners have been much in evidence durin recent mass demonstrations.

Twelve months ago simply to be accused of being a member of the Mujaheddin was enough to earn a life jail sentence from a secret military court, as happened to 18-year-old Nasrin Rezaiye, the youngest girl in Iran's most celebrated guerrilla family. In contrast, nowadays the Mujaheddin and the Sazmane Peykar are actively, and fairly openly, recruiting.

In the open political forum nationalist left-wing views are represented by Mr. Mahmud Etemadzadeh's Democratic Unity Party and sections of Mr. Haj Seyyed Javadi's intellectuals grouping known as "Jombesh."

In the middleground of what to be the anti-Shah opposition are the human rights dissidents, professional men and women who can genuinely lay claim to having been the spark of the movement, through their open letters of protest about the lack of rule of law and the treatment of political prisoners in the early summer of 1977. Informal ties exist between them and the National Front—or "Union of *National Front Forces" as it is* more correctly known—which revived itself in November 1977.

The National Front enjoys a position of power on one definition because it has managed to articulate politically the anti-Shah feelings of a wide cross-section of people, especially the young. But with the rise of the mosque-led, largely working class, religious tide the Front's own attraction has diminished to a narrow middle-class band. And the Front these days is an amorphous body which has very little grassroots organisation, living off its moral power and historical record from the days of Dr. Mossadegh in the early 1950s.

In the Shi'ite branch of Islam there is no formal hierarchy which would give a universally accepted command or organisational structure to a political movement. Different religious leaders of note, the Ayatollahs, have their separate followings, usually regionally based.

Currently the only figure approaching Khomeini in terms of influence that can be translated into political power is Kazem Shariat-Madhari in Qom. In theory he would certainly have settled for a genuinely constitutional monarchy under the present Shah, but in practice he was unable to go against the tide.

Iran's Prime Minister, Dr. Shahpour Bakhtiar, tells a Press conference yesterday that he will not resign as demanded by the exiled opposition leader Ayatollah Khomeini.

Reserve Bank role upsets S. African rand dealers

BY QUENTIN PEEL IN JOHANNESBURG

FOREIGN EXCHANGE dealers in South Africa reopened for business yesterday for the first time since the publication of the De Kock report recommending a managed float of the rand, but without any change in the official rand-dollar exchange rate.

For the first time, however, banks were allowed to fix their own buying and selling rates for transactions with the public. The result was a considerable narrowing of the spread as dealers competed for scarce dollars, with the rand softening fractionally against the dollar.

By the end of a hectic day, after a three-day closure last week, the major dealers were quoting a spread of dollars 1.1485 to 1.1495, compared with the South African Reserve Bank rate of 1.1486 to sellers and 1.1515 to buyers.

Dealers blamed the narrowing of the spread on the one-sided market, with foreign currency permanently in short supply because all receipts for gold bullion, diamonds and public sector borrowing are still channelled directly through the Reserve Bank.

The dealers are generally unhappy about the extreme caution of the Reserve Bank in implementing the recommendations of the De Kock Commission. The commission proposed that the bank should no longer prescribe buying and selling rates, but should intervene in the market to keep the exchange rate within limits.

The report, which envisaged a dual exchange rates system of a commercial rand floating subject to official intervention, and a financial rand, available only for non-resident investments, freely floating, also proposed that the proceeds of Krugerrand and diamond sales, and of public corporation borrowing, should be channelled through the authorised dealers. Neither of those recommendations has yet been implemented. Nor has a proposal that the dealers be allowed to make a charge for foreign exchange transactions with the general public.

"It is a very ugly market," one dealer said yesterday. "The volume has not increased significantly, but the spread is very tight." He believed that preferential sellers of foreign currency to the Reserve Bank, such as De Beers from the proceeds of its diamond sales, would put pressure to be allowed to seek a better price in the open market.

Accord near on Syria-Iraq ties

BY ROGER MATTHEWS IN DAMASCUS

THE SUMMIT meeting between the leaderships of Syria and Iraq is expected to end today with the announcement of "major political decisions" and a series of agreements covering bilateral relations.

President Hafez al-Assad and the leader of the Iraqi delegation, Mr. Saddam Hussein, vice-chairman of the revolutionary Command Council, held a private meeting yesterday to discuss essentially political issues while ministerial talks continued on a number of technical problems.

The two countries, which until four months ago were among the most implacable enemies in the Arab world, have stated that their eventual goal is full union. Mr. Saddam Hussein said before leaving Baghdad that he would "accept nothing less than a comprehensive merger," but senior Syrian officials stress that their policy is "to hasten slowly" towards the eventual target.

Since the visit to Baghdad in October by President Assad, the signing of the "Charter for pan-Arab action" and the setting up of a joint Iraqi-Syrian higher political committee, the steps towards full reconciliation have been limited.

But spurred by the Camp David accords between Egypt and Israel and the belief in Damascus and Baghdad that President Sadat will sign a separate peace treaty, there is a clear desire here to demonstrate more tangible progress towards bolstering the eastern front and the effectiveness of Arab unity.

However, whatever is announced today it is still going to take some considerable time before the rift between the two opposing factions of the ruling Ba'ath parties, which is fundamental to the ten-year-old bitterness between the two countries, can be resolved.

Algiers meeting

ALGIERS—The official Algerian newspaper El-Moudjahid declared yesterday that the nation's future President, whoever he is, will "pursue the anti-imperialist and anti-reactionary policies" of the late President Houari Boumedienne.

But El-Moudjahid's front-page editorial also gave a hint that a minority in the Algerian leadership was not completely happy with Col. Benjedid Chadli, the man widely tipped as the next President.

Agencies

Zambia crop threatened

BY MICHAEL HOLMAN IN LUSAKA

ZAMBIA WILL run out of homegrown maize by the end of the year unless rainfall improves within the next two to three weeks, according to Alexander Chikwanda, the agriculture minister.

As low rainfall persists in much of southern Africa it is becoming clear that Zambia faces its most serious food crisis since 1971 when the country was forced to import 1.5m bags of maize.

The minister said that the 5.6m bags harvested from the 1977-78 crop will provide the country's staple diet until July. Thereafter it will be consuming the current crop, which farmers fear could be 2.5m bags or lower.

With monthly consumption at half a million bags the country could be without homegrown maize by December, facing a four to five month gap before the next crop is harvested.

Support for Canadian banking restrictions

CANADA WOULD invite risk and uncertainty in its financial system by opening the door too widely to foreign banks according to Mr. Gerald Bouey, Governor of the Bank of Canada, Victor Mackie reports from Ottawa.

Mr. Bouey told the Senate Banking Committee that he welcomed increased competition from foreign banks as long as their growth was carefully limited by law. He supported draft banking legislation which would restrict foreign banks to 15 per cent of commercial and industrial lending.

Argentinian orders

Argentina will be placing more than $4bn in orders with foreign concerns over the next three years as part of a $20bn public investment programme, AP-DJ reports from Buenos Aires. According to the Ministry of Economy more than $1bn of the purchases will be for the Yacireta hydroelectric plant. About $320m of orders will be concerned with oil exploration and *production.*

Pope flies south

Hundreds of thousands of Indians from southern Mexico and northern Guatemala crowded around the city of Oaxaca yesterday to catch a glimpse of the Pope. On the fourth of his six days in Mexico, the Pope was expected to address 300,000 tribesmen.

$520m for Ecuador

Ecuador has obtained a $520m 10-year loan from a syndicate of banks led by Bank of America International and the Citicorp *international* group under agreements signed in London yesterday, AP-DJ reports. The Government will use $510m to refinance outstanding external *debts and $10m will be used for* the 1979 investment programme of the national development agency, Fonade.

U.S. Vice President Walter Mondale welcomes Chinese Vice President Deng Xiaoping after he arrived at Andrews air force base accompanied by his wife Mme Zhuo Lin.

AS DENG XIAOPING VISITS WASHINGTON

Chinese frozen assets pact hope

WASHINGTON—U.S. officials say they expect fairly rapid agreement on terms for resolv*ing the frozen assets issue which* is blocking full resumption of U.S. trade with China. But, they say, moving the agreement through Congress, could take *months if it is included in a* package of legislation on U.S.-China relations.

The issue is expected to be touched on during the visit of Deng Xiaoping (Ten Hsiao-ping), Chinese Vice-Premier, to the U.S., but officials say substantive progress will have to wait until Mr. Michael Blumenthal, the Treasury Secretary, visits Peking next month.

Mr. Blumenthal, is due to begin his Peking trip on February 23, and has called the assets question "almost a pre*condition to all other issues of* trade." He expects substantial progress in the negotiations, but says settling the issue will take time and patience.

*Privately, U.S. officials pre*dict fairly rapid agreement and expect resolution of the frozen assets question to clear the way for normal banking and financial dealings.

At issue is $124m in claims by *Boise-Cascade, International* Telephone and Telegraph, Exxon and other businesses over property seized by the Chinese Government. According to U.S. estimates China holds nearly $197m worth of property, securities and bank accounts *owned by U.S. citizens, corpora*tions and Philanthropic organisations.

The U.S. has blocked $80.5m worth of similar Chinese assets. Chinese ships or aircraft touching U.S. soil are subject to seizure under administrative action taken when China entered the Korean war in 1950.

Probably the simplest solution would be for the U.S. to take Chinese assets blocked in the *U.S. and to use them as a pool* for paying off the claims by U.S. entities. That would imply a settlement amounting to an average of about 41 cents to the *dollar.*

Mr. John Clute, general counsel to Boise-Cascade, said his company was disappointed that the frozen assets had not been resolved when the two nations resumed full relations. He *would have serious reservations* about any settlement of less than dollar for dollar.

Officials say there is precedent for paying the claims of individuals and charities in full or at a rate, of say 60 cents to the dollar, and for paying corpora*tions at a lower rate.* But they are not yet giving up the idea of getting a settlement better than a *straight* exchange of *assets* held by the two nations.

The Treasury proposed last November that Chinese, Cuban and other frozen assets be held *in interest-bearing* bank accounts, a move which would make more money available for settling outstanding claims against those nations.

Although the proposed Treasury regulations could have some impact on Cuba, which the U.S. claims owes U.S. citizens nearly $114bn, they are not *expected to affect any Chinese* settlement.

The regulations are generally supported by Bank of America. Citibank says it strenuously opposes the regulations and questions Treasury authority to issue them. Both banks have already set up new relationships with the Bank of China along with Chase Manhattan and others.

Of U.S. claims on property in China, business accounts for $124m, religious and non-profit organisations for $58m and individuals for $14m. On top of those totals, the Foreign Claims Settlement Commission levies another 6 per cent a year interest, but U.S. officials said there is little chance of interest being collected.

The largest claim by any one business is $54m by Boise Cascade, which acquired rights to the Shanghai Power Company when it purchased Ebasco In*dustries in the mid-1950s.*

Other claims include $27m shared between Exxon and Mobil Oil, $15m for Caltex, a joint venture of Texaco and *Standard Oil of California*, $11m for ITT, $4.5m for General Electric and $1.6m for Citibank.

Reuter

Congress begins hearings on wage insurance plan

BY DAVID BUCHAN IN WASHINGTON

MR. MICHAEL BLUMENTHAL, the U.S. Treasury Secretary, yesterday asked Congress to play its part at "this critical point in the *anti-inflation fight*" by approving the Administration's controversial "real wage insurance" plan.

He was testifying before the House Ways and Means Committee, which began hearings on the plan—the only major tax proposal in the $532bn 1979-80 budget — which would give workers settling within the President's 7 per cent pay guideline a tax rebate if inflation exceeds 7 per cent this year.

The Administration estimates that, with 47m workers, out of the 96m workforce, complying with the pay guideline, and with an estimated inflation rate this year of 7.5 per cent, the cost of the plan would be $2.5bn.

The Ways and Means Committee has a recent record of maltreating Mr. Carter's tax proposals. Last year, it scrapped the President's tax plan and *wrote a Bill of its own.* In general, Republicans have opposd real wage insurance as too costly and complex, while many Democrats have their doubts about its efficacy.

The Treasury Secretary urged Congress not to reject the plan out of hand simply because it was a novel way of tackling inflation. Approval by Congress "would be a vital help in sustaining the momentum of the anti-inflation effort," which he said had made notable gains in the past three months. In addition to recent improvement in the inflation figures, the dollar had rallied by 9.3 per cent *since* November 1 against all major currencies taken together, and the stock market had firmed and gained substantially.

There was, Mr. Blumenthal said, a braking system built into the cost of the real wage insurance scheme. If few workers obeyed the pay guideline, few would be eligible for the tax rebates—set at a maximum of $600 each—and the cost to the Treasury would be low. If compliance by workers with the 7 per cent guideline was wide*spread, inflation would* be reduced, and that in itself would cut the cost of the scheme.

The Treasury Secretary stressed the direct economic effects of the wage—insurance plan, but most of its supporters consider its main effect would be psychological, assuring workers they will not lose out entirely if their unions do not try to break the guideline.

AFL-CIO affiliates merge

BY JOHN WYLES IN NEW YORK

THE NEW 1.2m-strong International Union of United Food and Commercial Workers will become the biggest affiliate of the American Federation of Labour—Congress of Industrial Organisations (AFL-CIO) in a few months.

The new union will be *formed* by the merger announced at the weekend of the International Union of Retail Clerks and the Amalgamated Meat Cutters and Butcher Workmen. That the *combined membership* is enough to take first place in the AFL-CIO from the Federation of State County and Municipal Employees underlines the slow progress the U.S. labour movement is making towards developing general unionism.

The U.S.'s largest union is the International Brotherhood of Teamsters, which has about 2m members. It was expelled from the AFL-CIO in 1957. It is roughly equal in *size* to Britain's Transport and General Workers' Union, whose penetration of a range of industries is, however, much more significant than is that of its U.S. equivalent.

Some 31 of the 169 unions affiliated to the AFL-CIO have less than 20,000 members, and the federation has consistently encouraged mergers and amalgamations to improve efficiency, organising, and economic strength. However, there have been only 30 mergers among AFL-CIO affiliates since 1955, and the last important combination, between clothing and textile workers in 1976, resulted in a group, with a modest membership of 300,000.

The retail clerks and the meat cutters will have a *greater* combined presence in the food and supermarket industries as a result of the merger, which should be confirmed in June. But the union will also represent employees in manufacturing, health care, commerce, and financial institutions, among others.

Mideast failure 'nobody's fault'

BY OUR WASHINGTON CORRESPONDENT

HIGH LEVEL tripartite talks between Egypt and Israel, with the U.S. present, will be needed to break the logjam in the Middle East negotiations. U.S. officials have concluded after the failure of the mission by Mr. Alfred Atherton, the special envoy.

Mr. Atherton, who returned here on Sunday, spent 12 days in Cairo and Jerusalem trying to resolve some of the less contentious points in dispute.

While "useful clarifications" *were obtained about both sides'* positions concerning future reviews of the peace treaty's security provisions and the relation of the proposed treaty to Egypt's obligations to its Arab neighbours, U.S. officials said it was obvious these issues could not be dealt with in isolation.

A decision on how next to proceed—perhaps a visit by Mr. Vance the U.S. Secretary of State, meeting Egyptian and Israeli Ministers, or possibly another Camp David summit meeting by the heads of Government—is unlikely to be made this week.

U.S. officials are not blaming either side for Mr. Atherton's failure to make significant progress. They point out that it was a mistake on the part of the U.S. to believe the stalled peace talks could be approached as anything but an overall package.

Computer shipments 'to rise 15%'

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE COMPUTER industry is likely to remain the most expansive sector of the manufacturing economy in the U.S. both *this year and over the next five* years, according to a major U.S. Government survey.

The Commerce Department's 1979 U.S. industrial outlook, re*leased here yesterday projects* growth rates for 200 manufacturing and service industries. For this year, it *forecasts* that about a quarter of the 155 manu*facturing industries will achieve* at least a 5 per cent growth in shipments.

The most vigorous single sector, the report predicts, will be metal-cutting machine tools, with shipments due to rise by 20 per cent this year and by 8.8 per cent at a compound annual rate over the next five years.

However, the computer industry, whose shipments last year were worth more than $15bn, or over seven times as much as *metal-cutting machine tools*, can expect 15 per cent growth this year and a 14 per cent annual average over the five-year period.

Most of the projected leaders for this year are in the medium to high technology field, though all are much smaller industries than computers.

Several of the major industries can also look forward to healthy expansion, the report suggests, with aerospace up 9.9 per cent this year, a figure matched by telephone and telegraph equipment, electronic components (9.2 per cent), photographic equipment and supplies (9.3 per cent) and plastic *materials and resins* (8 per cent).

Declines, however, can be expected this year for cars (down 1.9 per cent), farm *machinery and equipment (down* 2.7 per cent), cement (down 3.6 per cent), and sawmills (down 2.4 per cent), while the large meat packing industry can anticipate no growth.

POLITICS IN BRAZIL

A break with the past

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL'S President-elect has said 1979 will be the "year of agriculture." It will also be the *year of oil, with many of the* country's offshore fields due to go into production, and a year of scrutiny for large-scale, projects conceived in an era of cheap oil and grandiose national aspirations. Above all, however, many Brazilians hope 1979 will be crucial in the move away from authoritarianism.

President Ernesto Geisel, whose term began in 1974 and runs out on March 15, began his reform programme in mid-1978, having clipped the wings of ultra-Right military who favoured greater repression.

By dint of the reforms which took effect from last January 1, Draconian institutional Acts have been abolished and their essence watered down into a potentially-repressive National Security Act (which, however, grants Congress and the courts reasonable checks and balances). Banishment and the death penalty have been repealed, as has perpetual imprisonment or loss of rights for political crimes.

Even before 1978 ended, the changes in Brazil were noticeable.

Half way through his tenure, President Geisel abolished Press censorship. Traces of authoritarian decision-making linger, but the birth of what President Geisel heralded as the "*open debate of opinions*" has been relatively painless.

Even the stifling censorship of television, Brazil's most popular medium, relaxed as the year waned. To *the amazement* of viewers, acid political comment and irreverent jokes crept into programmes.

General Joao Baptista Figueiredo

With maturity and coolheadedness the 300,000-strong metalworkers' union struck for better wages and working conditions half-way through 1978. Equally coolly, management did not clamour for the troops, but sat down with the unions and thrashed out solutions.

Pressures from the far Right for strike-breaking and from the far Left to join the strikers' badwagon were ignored. Trade union rejection of political wooing was so curt that it cast doubts on the ability of old-style activists—accustomed to dictating political trends from the tip of the pyramid downward—to resuscitate the defunct Brazilian Labour Party, or attract labour support for a new group.

On the political front, the complacently pro-government Arena party won the November 15 Congressional elections by *less than 1 percentage point of* the popular vote, and a 30-seat margin (through gerrymandered constituencies).

Arena was given no say in the preparation of the *1978-79* reforms: it was handed a fait accompli and instructed to ratify it in Congress.

Such an approach has typified the Presidency of General Geisel, with Congress expected to consent rather than advise. With the advent of President Geisel's successor, General Joao *Baptista Figueiredo*, personal rule appears to be drawing to a close.

General Figueiredo, formerly head of the intelligence service, *is as gregarious and self*-admittedly fallible as General Geisel was remote and didactic.

Having amazed onlookers with off-the-cuff remarks ("I prefer the smell of horses to that of the people," "I'll break anyone who's not for democracy"), General Figueiredo endeared himself by public "walkabouts" by vowing to help the "absolutely poor" (who not long ago were literally unmentionables); by offering the "hand of conciliation."

He also says he will introduce elected politicians into his Cabinet—a departure from the closed circuit of military officers and technocrats that has made Brazil's decisions for the last 15 years.

Japanese trade with China increases to record level

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S EXPORTS to China grew by 57 per cent to a record level of $3.05bn (£1.5bn) in 1978 the Japan Association for the Promotion of International Trade announced.

Coupled with a 31 per cent increase in China's exports to Japan (to $2.03bn) these figures mean that two way trade between Japan and China last year easily exceeded the previous peak level of $3.8bn (recorded in 1975).

The growth of two way trade appears less impressive when stated in yen terms. On this basis Japan increased its sales to China by 13.4 per cent during the year and bought 12.4 per cent more Chinese goods in return.

Even in yen terms, however, Japan-China trade figures compare well with overall Japanese trade figures for 1978 which show a yen denominated decline in both exports and imports.

The prize exhibit amongst Japanese exports to China was a threefold increase in exports of industrial machinery (including complete plants). This reflects the coming into force last February of the long-term trade agreement under which China undertook to buy $10bn of Japanese plant and construction materials over an eight-year period in return for increased Japanese purchases of Chinese coal and oil.

Plant contracts signed with China during the year numbered 34, including no fewer than five for large-sized ethylene plants (which will contribute to the raising of China's production capacity to an estimated 2.2m tons per year).

Shipments of machinery under some of these contracts did not enter into the 1978 trade statistics. In some cases however contracts signed in 1978 were already resulting in machinery shipments by the end of the year.

Some Y20bn worth of machinery shipments was attributed to the start of work on the Shainghai 6m ton steel complex for which Nippon Steel Corporation is the main contractor.

Although plant exports grew dramatically, steel continued to hold first place in Japan's exports to China. Shipments in the first 11 months of the year amounted to 4.47m tons valued at Y245bn ($1.23bn). This marked a modest value gain from 1977 levels (when Japan shipped 4.5m tons of steel valued at $1,006bn in the full year).

China's steel imports from a number of European countries are understood to have grown rapidly last year, mainly because of price increases requested by Japanese exporters (reflecting the higher value of the yen).

A similar situation seems to have arisen in the chemical fertiliser industry where a sharp decline in the quantity of Japanese exports in the early part of 1978 was accompanied by price increases and by increased Chinese orders from Europe.

China's exports to Japan in 1978 included 8.6m kilolitres of crude oil (up from 7.67 kilolitres in 1977). China's oil exports to Japan have begun to rise as a result of the long-term trade agreement which commits Japan to buying 5m tons of crude by 1982.

TOKYO — Japan has agreed to buy 7.6m tonnes of crude oil from China this year at prices higher than last year, according to Japanese trade sources. Agreement was reached in talks in Tokyo between Japanese oil traders and Chinese officials, they added.

The price was set at $13.73 per barrel for the January to March quarter after which the price will be fixed on a quarterly basis.

And in Tokyo, Hitachi says it has received a Chinese order for 80,000 colour television sets, more than eight times the total Japanese colour TV shipment to China last year.

Saudi assurance for U.S. on oil output

BY JAMES BUCHAN IN JEDDAH

SAUDI ARABIA will maintain oil production at the present levels of between 10m and 10.5m barrels a day at least for the time being, Saudi officials told the United States Commerce Secretary, Mrs. Juanita Kreps, in Riyadh over the weekend.

Speaking to the Jeddah newspaper Arab News, Mrs. Kreps said that the officials had assured her that present levels —well over Saudi Arabia's annual average limit of 8.5m barrels a day—would be maintained "for some time."

On Sunday evening Mrs. Kreps delivered a message from President Carter to Crown Prince Fahd in Jeddah, referring to "the increase in production Saudi Arabia is taking on" in the face of the complete shutdown in exports from Iran. Earlier Mrs. Kreps flew over the oilfields and received a briefing on production from officials of Aramco, which lifts all but a fraction of Saudi crude.

The increase in Saudi output, which is making good about half the loss in Iranian crude, is crucial to Western consumers if exports from Iran are not resumed.

As this appears unlikely for the present—and for technical reasons any return to the pre-strike levels of over 5m b/d will take some time—higher Saudi output may provide the major buffer for Western consumers after the last tanker shipments from Iran arrive and national crude stocks are drawn down to their acceptable limits.

However, the Saudi production policy is understood to be considerably more flexible than the 8.5m b/d limit would suggest—especially since an attempt to keep within the annual average would entail large cutbacks later in the year and after one or two quarterly price increases. Rumours here that Saudi Arabia might introduce a quarterly average to cope with the Iranian shortage have not been confirmed.

While Mrs. Kreps may have had little difficulty in encouraging Saudi Arabia to keep production levels up, she appears to have had less success in attempts to ease problems for American businessmen arising from tough Saudi immigration and contracting policy.

She reported no progress in attempting to persuade Saudi officials to relax the 10 per cent performance bond contractors must post, which is particularly hard on U.S. companies which lack access to state contract insurance facilities.

Mrs. Kreps pointed out to the Finance Minister the advantages of the U.S. surety bonding system while her Government would look into steps to "ease the financial burden" of the bank guarantees required for the bonds.

French to press on with Iran reactors

By David White in Paris

A FRENCH consortium is going ahead with work already started on two Iranian nuclear reactors in spite of a statement by Dr. Shahpour Bakhtiar, Iran's Prime Minister, indicating that the contract would be cancelled.

Creusot-Loire, parent company of France's sole supplier of nuclear reactors, Framatome, said yesterday that civil engineering work was continuing on the Kahn River site, in compliance with a contract signed in late 1977 and worth a total of over $3bn, including fuel supplies. It has received no official notice of cancellation.

Such cancellation would be a heavy blow to the company, since it represents France's only firm export contract for reactors. The prospect of selling four bigger 1,300 MW reactors to the Iranians in a part-barter deal in exchange for oil has had to be shelved more or less indefinitely because of the Iranian crisis.

Dr. Bakhtiar said in an interview at the weekend that Iran was cancelling its nuclear contracts, barring those for two reactors being built by West Germany, work on which is already well advanced.

Portugal's exports show rise of 20%

BY JIMMY BURNS IN LISBON

PORTUGAL ENDED 1978 with a slightly improved trade position, thanks to an exceptionally strong export performance. According to unpublished figures prepared by the Bank of Portugal, imports last year increased by 6 per cent to $4.8bn while exports increased by 20 per cent to $2.4bn. There was a 0.4 per cent drop in the overall trade deficit.

The deficit was offset by a substantial increase in invisible earnings, which included a 22 per cent increase to $1.5bn in immigrant remittances, as well as a 15 per cent increase in tourist receipts.

Oil and foodstuffs continued to be the main items affecting Portugal's adverse terms of trade.

More striking are figures for the current account deficit which has been reduced to $920m, a considerable improvement on 1977 when the deficit was $1.5bn. The reduction in the current account is well in line with the deficit target of $1bn originally set by the International Monetary Fund last year.

Although further figures are yet to be released, the Bank of Portugal yesterday confirmed that the improvement in the current account had caused a "substantial increase" in Portugal's foreign reserves.

Swiss narrow the gap

BY JOHN WICKS IN ZURICH

THE SWISS trade gap narrowed last year from SwFr 867.6m to SwFr 520.4m. Apart from the exceptional conditions prevailing in 1976, when Switzerland booked a trade surplus of SwFr 173.5m, the 1978 result is the smallest deficit in the foreign trade balance since 1954.

The small gap is largely the result of a sharp drop in import prices due to the appreciation of the Swiss franc. This meant that imports declined over the year from SwFr 43.02bn to SwFr 42.3bn and exports less rapidly from SwFr 42.15bn to SwFr 41.78bn. In real terms, imports actually expanded by 9.8 per cent and exports by some 4.9 per cent.

Despite the rise in the Swiss franc exchange rate, Switzerland was able to increase its exports to the UK by as much as 19.5 per cent last year to SwFr 2.87bn. At the same time, British deliveries to the Swiss market improved by only 7.3 per cent to SwFr 3.37bn.

S. American orders worth £50m won by Ericsson

BY JOHN LLOYD

ORDERS TOTALLING more than £50m have been announced by L. M. Ericsson, the Swedish telecommunications manufacturer, for a number of customers in Latin America.

The orders include contracts for crossbar exchanges from the Venezuelan telecommunications authority, CANTV, worth £25m.

In Colombia, three customers have placed orders worth a total of £24m. The major order is for a number of AXE computer-controlled exchanges for the administrations in Bogota and Cali.

In addition, Panama has placed firm orders for three further AXE computer-controlled exchanges, while "substantial" orders have also been received for exchanges from Ecuador and Bolivia.

Ericsson says the orders "confirmed the company's leading position in this market area." However, it is an area where it finds itself under increasing pressure from International Telephone and Telegraph (ITT).

Swedish pulp output up

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDISH production of market pulp increased by about 14 per cent to 3.8m tonnes last year while deliveries climbed by 18 per cent to 4.4m tonnes, a producer stocks were run down, according to the preliminary estimates of the Pulp and Paper Association. However, deliveries in 1978 were still more than 500,000 tonnes lower than those of the peak year, 1974.

The increase came almost entirely in exports, although Swedish pulp manufacturers still have a lower share of the European market than they had during the first half of the 1970s.

The reduction of stocks has been aided by a rise in business with Japan and Swedish mills are looking for more permanent links with countries outside Europe.

A greater geographical spread for pulp deliveries has become an urgent matter for Swedish mills because of the increased weight of Canadian suppliers on the European market, the association notes.

Shipments of Swedish paper and paperboard products abroad rose by 18 per cent to 4.5m tonnes during 1978. Production totalled 5.7m tonnes, exceeding the 1974 level.

Buy-back deals criticised

BY SUE CAMERON

EUROPEAN chemical trades unions have endorsed a British call for the Common Market Commission to investigate compensation trading deals between Western companies and Comecon countries.

The proposal came from the UK General and Municipal Workers' Union and was backed by the Trade Union Committee for the Chemical Industry in the European Economic Community at a meeting in Brussels last week.

The committee agreed to undertake studies of compensation trading deals—under which Western companies provide the technology to build new plants in Eastern Europe and are paid with product—in all Common Market countries.

Mr. David Warburton, national chemicals officer of the GMWU, told the committee that deals of this type could pose a real threat to jobs in Western Europe. He added that the threat "should not be exaggerated" but said problems did exist and should be identified —particularly in the plastics sector.

SINGAPORE PETROCHEMICALS

£500m project now likely to go ahead

BY PHILIP BOWRING IN SINGAPORE

AFTER FIVE years of delays, Singapore's planned $1bn (£500m) integrated petrochemical complex now seems almost certain to go ahead in the near future.

Mr. Norishige Hasegawa, head chairman of Sumitomo Chemical Company which is heading the project consortium, said that the plant should now definitely come on stream in 1982.

He added that Sumitomo had now lined up partners to invest in the downstream facilities which would use the plant's eventual planned annual output of 300,000 tons of ethylene and 165,000 tons of propylene a year.

Mr. Hasegawa attributed the decision to give the green light to the project partly to the situation in Iran. Delays to Iranian projects cause by political disturbances, together with the high cost of construction in Iran, now indicated that the Singapore plant would have a sufficient market from 1982.

Though it would not export to Japan, the Singapore facility would fulfil demand in Asian, Australian and perhaps the China market. At the present these are largely being supplied from Japan, but Japan would not have sufficient domestic capacity to fulfil this demand from 1982.

Though a large part of the equipment for the plant will be imported, construction of it will bring a boost to the Singapore economy at a time when work on the new $1bn Changi airport here is winding down.

Ultimately the plant will generate only a fairly small amount of employment in Singapore. But it has become a symbol of continuing investor faith in Singapore and in its petrochemical industry in the face of the efforts of oil producing nations, and heavy petrochemical users, to locate plants either near source of supply or markets.

The Singapore Government, through the Petrochemical Corporation of Singapore has a 50 per cent stake in the company which will own the naphtha cracker and upstream facilities.

April meeting will decide scope of Belvoir inquiry

BY JOHN LLOYD

A PUBLIC inquiry is to be held on the National Coal Board's largest project for the future—the development of the Vale of Belvoir coalfield in Leicestershire.

The inquiry, announced last week by Mr. Peter Shore, the Environment Secretary, will be required to evaluate the need for the coal which the three mines proposed for the Vale would produce.

It will thus call into question, for the first time, the expansion plans agreed between Coal Board, Government and mining unions and now running at an annual investment rate of £800m.

The inquiry, which will open in October, will be preceded by a preliminary meeting in April, at which requests to expand the scope of the inquiry will be considered. Both the preliminary meeting and the inquiry are likely to be held in the Vale.

The Coal Board first announced that it had proved at least 500m tonnes of recoverable reserves of coal beneath 90 square miles in north-east Leicestershire, in July 1976. It has since applied for permission to sink three mines at the villages of Hose, Asfordby and Saltby.

Opposition to the coal board's plans has been both highly vocal and well organised, much of it based on residents' groups within the Vale itself. Mr. Gerald Manners, a reader in Geography at University College, London, has worked closely with these groups, and has argued strongly that the coal board's national strategy is based on over-optimistic assumptions on both production and demand.

It is certain that this argument, which is much more worrying to the coal board than localised, environmental issues, will be extensively deployed at the inquiry. It will be the first public test of its plans to increase output of coal from around 120m tonnes a year now to 170m tonnes annually by the end of the century, and comes at a time when its markets are weak and its losses over the next two years forecast to be more than £400m.

The chairman of the inquiry will be Mr. Michael Mann, QC, who has had wide experience of mineral *planning inquiries*, assisted by Mr. C. F. Allen, a former Environment Department inspector.

Besides the need for coal, the inquiry will also consider the effect of the developments on the county's structure plans, on the environment and on employment in the area.

Bank 'published false brochures' court told

THE PUBLIC had paid in sums totalling about £63,000 to the account of Kendal and Dent, the "silver bank," after the Department of Trade petitioned on December 13 to have the company wound up, a High Court judge was told yesterday.

Mr. Justice Vinelott is being asked to decide whether the money is part of the assets of the company, or whether it should be returned to depositors.

The application for directions is being made by the Official Receiver, who was appointed provisional liquidator of Kendal and Dent on the day the petition was presented.

The Department, which is seeking to have the bank found up "in the public interest," alleges that the company induced members of the public to place deposits by publishing false and misleading brochures.

The court is also hearing two applications by the company—for the removal of the Official Receiver as provisional liquidator, and for leave to continue trading in the ordinary course of business, with certain safeguards.

The hearing continues today.

Building society chief speaks of interest fear

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

RISING INTEREST rates throughout the economy could only increase pressure on building societies to maintain their competitive edge over other savings institutions, Sir Campbell Adamson, chairman of the Abbey National Building Society, said yesterday.

Sir Campbell, who emphasised that he was not predicting any immediate increase in the mortgage rate, said that societies would contemplate higher rates with "obvious reluctance" but that they nevertheless had to keep a close watch on inflow of funds, which was insufficient to meet demand.

He was presenting the Society's 1978 results in London and said that there was "every prospect" of a further hardening of interest rates generally before any downward trend took place.

The societies, Sir Campbell said, would be wary of increasing the near-record rates further, especially so soon after the November rise to 11¾ per cent for mortgages, but the estimated January net receipts of about £300m for the movement was not enough to meet planned lending.

The societies clearly have a fairly stack choice confronting them within the next two or three months.

Receipts in coming weeks are unlikely to reach even January's disappointing level, since this week's attractive new issue of National Savings Certificates will impair inflow, and the societies' liquidity levels seems certain to fall further.

With average liquidity down to about 17 per cent of assets, societies can be expected to resist any temptation to reduce that figure by more than another 1 per cent, widely regarded as the base point for liquid funds.

When that position is reached, the societies will have to contemplate a big reduction in mortgage lending (in some cases already happening) planned at £700m a month in the first quarter of 1979.

The alternative would be a further increase in interest rates and the pressure for such action would be raised if another substantial increase in Minimum Lending Rate were announced within the next week or two.

Much might depend on the attitude of the Government, which might veto higher building-society rates but which would find it difficult to justify such a policy if interest rates throughout the economy rose sharply.

Most societies still hope that conditions will improve by the middle of the year and that, meanwhile, sufficient funds will come in to stave off any big crisis.

Last year, the assets of the Abbey National rose by 15½ per cent to £6¼bn, compared with a 24½ per cent growth rate in the previous 12 months. The society made nearly 126,000 new loans, accounting for £1.42bn, and recorded a £35m surplus after tax. That brought reserves to £235m, or 3.76 per cent of total assets.

● The Leicester Building Society lent £264m to 35,500 borrowers last year. Assets rose to £1.25bn and almost 165,000 new accounts were opened. Reserves at the end of the year stood at £45.2m, or 3.6 per cent of total assets.

Tories form link with trade organisations

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CONSERVATIVE Party has made its first formal link with organisations representing a wide range of industries, by creation of a Private Enterprise Consultative Council.

The founder-members are 18 trade associations, ranging from the National Federation of Building Trades Employers and the Motor Agents' Association to the National Federation of Retail Newsagents, the National Union of Licensed Victuallers and the British Security Industry Association.

Estimated to cover 180,000 companies, the council has been created at the invitation of the Conservative Party head office organisation and will be serviced by the party's Small Business Bureau.

The founder-members seemed keen at a launching ceremony yesterday to emphasise that they did not all necessarily regard themselves as tied to the Tory Party.

"We might as well fly our colours as being more aligned to the Conservative Party than the other parties, particularly the one in power," said Mr. Ron Moore of the Federation of Master Builders, who is the council's chairman.

"But that does not commit us to allegiance to any particular political party." He stressed that the organisation's aim was to advance the "interests of free enterprise."

The council will hold its next meeting in June, although its executive committee meets next month. It has yet to decide what role to play in the General Election campaign.

Taxation is likely to be a major topic for early study by the council.

Speaking at the launching ceremony, Mr. John Biffen, the party's small companies spokesman, said that the Government's planned levels of public spending implied an "over-taxed and over-borrowed economy."

This could "blow apart the private enterprise economy. The strikes, picketing and industrial intimidation are the primer that could ignite the powder."

Contract for new anti-tank weapon

By Michael Donne, Defence Correspondent

HUNTING Engineering has been awarded a contract by the Ministry of Defence to develop a new light anti-tank weapon for use by the Army in the early 1980s.

The cost of the programme is not disclosed, but is not likely to be less than several million pounds, and is thought likely to have considerable export prospects.

Discarded

Designed specifically for use against the new generation of tanks likely to be employed in the 1980s and beyond, the new weapon, known at present as LAW (Light Anti-Tank Weapon), is intended to be a simple to use, cheap to produce, "throw-away" weapon — the launcher being discarded after firing.

It is the result of a long period of research by the Royal Armament Research and Development Establishment, and is considered a major improvement on other light anti-tank weapons, including the American M-72.

Interest

Associated with Hunting Engineering in the programme will be Rank Optics, and various Ministry of Defence Royal Ordnance Factories and defence research and development establishments.

Widespread interest in the new weapon has been shown by many NATO armies, to whom it has already been demonstrated in prototype form, and some of them are expected to adopt it as their next-generation anti-tank weapon.

Organics industry trade deficit drops faster than expected

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE UK'S specialised organics industry is expected to achieve an imports and exports trade balance several years sooner than originally forecast.

A report published today by the specialised organics sector working party—set up as part of the Government's industrial strategy—shows that the industry's trading deficit has been falling steadily and dramatically since 1976. Provisional figures for 1978 suggest the deficit for last year will be £25m—£9m less than in 1977 and £48m down on the 1976 figure of £73m.

The UK's trade deficit may increase again when reflation accelerates," the reports says. "But even after allowing for this, balanced trade now seems a realistic and attainable objective in the early rather than mid 1980s.

"It should be noted that the trade deficit was adversely affected by the destruction of the caprolactam plant at Flixborough in 1974, necessitating imports until the plant is rebuilt. As the new plant is not yet on stream, the underlying improvement in the trade deficit gives a relatively encouraging picture."

The report also shows that UK exports of specialised organics—intermediate chemicals used chiefly in the production of pharmaceuticals, agrochemicals, dyestuffs and organic pigments—are growing considerably faster than those of West Germany. In 1976 the sector's export growth rate was only 1.5 per cent higher than that of West Germany but in 1977 this figure shot up to 29 per cent.

The report, which will go before the next meeting of the National Economic Development Council in February, calls for the setting up of a market information service to help small and medium sized companies in the sector to identify export and import-substitution opportunities more easily. It is estimated that the service would cost between £20,000 and £30,000 a year to run but the sector working party wants it to become self-financing within a maximum of four years—or else be wound up.

The report also calls for the National Economic Development Office to help organise export missions to South Korea, Taiwan and some of the Comecon countries. It says South Korea's imports of organic chemicals now rival those of Japan and it points out that the UK has a market share of only 0.2 per cent, while West Germany's market share is 10 times as high.

Reclamation company challenges council

By Lisa Wood

THE MANAGING director of a London reclamation company yesterday asked Southwark council why it paid a demolition contractor £27,890 to demolish sheds in London's docklands when he was prepared to pay £43,115 to buy and dismantle them.

Mr. Sean Kavanagh, managing director of Integrated Reclamation and Dredging, of Surrey Docks, was challenging Southwark's accounts for 1978 at a public hearing held by Mr. Clifford Nicholson, district auditor for the Metropolitan Audit District.

Mr. Kavanagh, who accused the council of causing the ratepayers a loss of more than £71,000, asked for the members of the council to be surcharged.

Warehouses

The contract involved large disused warehouses in Albion Docks, part of Surrey Docks, the sites of which are being filled in. Mr. Kavanagh was not invited to tender for the contract but made the council an offer to dismantle the sheds.

The council wanted them demolished quickly and after the contract was awarded to a demolition company in November, 1977, Mr. Kavanagh complained to the local government Ombudsman. The Ombudsman's report, published last September, found that Southwark should have invited Integrated Reclamation and Dredging to tender, but said it was not part of the Ombudsman's duties to judge the effect of council actions on the public purse or welfare.

Mr. Kavanagh then took the unusual step of challenging the council's accounts.

Road plan

Mr. Sam Evans, Southwark council's chief executive officer, said in evidence yesterday that while Mr. Kavanagh's offer was sensible, it was refused because of the need to clear the site quickly. The authority wanted to build a road through it and had been offered a 75 per cent Government grant towards the cost if the scheme went ahead before March this year. "We therefore took the view that we should demolish the sheds, not dismantle them," he said.

Mr. Kavanagh had not been asked to tender for the demolition work as he was not a member of the National Federation of Demolition Contractors or on the Demolition and Dismantling Industries' Register.

Until the district auditor gives his ruling in the case, the council cannot pass the borough's annual accounts.

Belfast car factory contract awarded

BY OUR BELFAST CORRESPONDENT

TWO Ulster construction companies have been awarded a contract to build a sports car factory in Belfast by Mr. John De Lorean, a former General Motors executive.

The companies—McLaughlin and Harvey and Farrans—will start work soon on the 650,000 sq ft complex.

The Northern Ireland Department of Commerce is providing grants of £18.7m and a loan of £8.7m.

The Government's total commitment is £53m including equity held by the Northern Ireland Development Agency.

Mr. Don Concannon, the Minister responsible for Ulster industry, said the contract would provide jobs for hundreds of skilled and unskilled men.

● Lotus, the British sports car specialist, is co-operating with Mr. De Lorean on the development and testing of a luxury sports car.

Northern Ireland homes offered at a discount

BY PAUL TAYLOR

THE NORTHERN Ireland Housing Executive is to offer 54,000 council tenants the chance to buy their homes at a discount.

The Executive was set up seven years ago. It combined the functions of about 60 housing authorities managing 190,000 council homes in the province.

The homes on offer vary from terraced houses in West Belfast for £3,000 each to detached houses in Port Ballintrae on the North Antrim coast, for £18,000. The average price of a three-bedroom house in Belfast is between £6,000 and £8,000 and outside the city about £10,000.

Tenants of five years' standing will be entitled to 10 per cent discounts and tenants of 25 years to 30 per cent. Improvement grants will be made available.

More than 4,000 of the homes for sale are in Belfast, where the Executive owns 35,000 properties.

Only about 48 per cent of the 500,000 homes in Northern Ireland are privately owned, compared to a UK average of 53 per cent. Mr. Charles Brett, chairman of the executive, said yesterday that it was "anxious to encourage home ownership."

But in accordance with Government policy homes were being offered for sale only in areas where housing need had been met.

"Few if any will be on offer in the big Roman Catholic areas of West Belfast where there is still a shortage." The Executive recently started work on the Poleglass £5m housing development, with 2,000 homes, schools and other facilities in West Belfast.

The Executive yesterday was unable to estimate the net receipts from the sales because it does not know how many tenants will accept the offer.

Lord Beswick joins Airbus group Board

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LORD BESWICK, chairman of British Aerospace, has joined the supervisory board of Airbus Industrie, the European group which builds the 250-seat A-300 Airbus and is now also developing the smaller 200-seat A-310.

Three other British Aerospace executives are also joining the Airbus Industrie board. They are: Sir Peter Fletcher, director of corporate strategy and planning; Mr. J. L. Thorne, managing director (civil) of British Aerospace; and Mr. R. H. Sawyer, finance director of the Aircraft Group of British Aerospace.

The appointments follow the decision late last year by the Government to rejoin Airbus Industrie, with a 20 per cent financial stake in the organisation, to help develop airliners for the 1980s. The UK's eventual investment may be up to £250m.

The UK has had a private venture stake in the A-300 for some years, building wings for the aircraft, and will now also build wings for the A-310.

But the significance of the UK resumption of membership of the Airbus group goes further. A big demand is expected in the 1980s for a new, smaller type of aircraft in the 130-160 seat category. Airbus Industrie has plans to meet that demand with the Joint European Transport (JET) programme.

It is hoped that if the project materialises, the UK industry could win a big share of it, mainly because other partners in Airbus Industrie will be so deeply committed on A-300 and A-310 work that they will not have the resources to undertake new ventures.

UK and Malaysia plan talks on air agreement

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS on a new UK-Malaysian air services agreement begin on February 5 in Kuala Lumpur.

Malaysia is expected to ask for additional landing rights in the UK, in return for allowing the British Airways-Singapore Airlines joint Concorde service to fly through Malaysian air space en route to and from Singapore.

At the same time, the Malaysian Government is expected to make it plain that it is not prepared to accept new British and Australian cheap fares plans which do not permit stop-overs in South-East Asia.

The Malaysian airline, MAS, at present has two services a week to London. It is understood that it wants to increase these as well as its Hong Kong flights.

The UK and Malaysia have denied officially that the year-long ban on Concorde, lifted only last week, had anything to do with Malaysia's desire for improved air services to the UK, but there is little doubt in airline circles that this is at the root of the problem.

It seems likely, however, that the UK Government and British Airways would be prepared to accept additional MAS flights to and from London, if this meant Concorde flights to and from Singapore could continue in the months ahead.

The most difficult question is the one of cheap flights between the UK and Australia, involving the problem of stop-overs—the ability of passengers to get off the aircraft in South-East Asia for one or two days, before continuing their journeys.

Navy order for ships worth £60m

By Ian Harvreaves, Shipping Correspondent

THE ROYAL NAVY yesterday placed orders worth £60m for three anti-mine ships with British Shipbuilders.

The vessels will be made of glass-reinforced plastic, which is rapidly becoming the standard construction material for vessels requiring anti-magnetic properties.

Construction

Yarrow (Shipbuilders) of Glasgow will build two of the craft at its recently completed £7.5m twin-berth construction hall. The third will be built on the south coast by Vosper Thornycroft, which has built two similar vessels.

Yesterday's orders are part of a series in which the plastic Hunt-class vessels will replace outdated wooden-hulled ships in the Royal Navy's fleet of 35 anti-mine vessels.

Counties to step up fight against council changes

BY PAUL TAYLOR

THE GOVERNMENT'S White Paper proposals for wide change in local authority powers might cost millions, the Association of County Councils said yesterday.

After last week's publication of the Government's plans for "organic change," the association is to intensify its campaign of opposition to the proposed changes.

In spite of declarations from Mr. Peter Shore, Environment Secretary, and the Association of District Councils that the association's warnings on cost are "exaggerated," the counties remain convinced that preparations for the changes will cost hundreds of thousands of pounds and that the changes themselves might cost "millions of pounds" in additional staff and buildings.

In the absence of any Government costings, the association plans a detailed paper on the financial implications of handing back certain county powers such as education and social services to the big nine cities and the larger district councils.

Mr. Shore has argued that it is too soon to place a figure on the costs because it is not yet known how many of the district councils would wish to take advantage of the changes. He says that costs should be offset against the increased local democracy and accountability that the changes might bring.

Those arguments are rejected by the Association, which sees the charges as a political gesture and argues that the case for further local government organisation has not been proved and that the drawbacks, including the additional cost, have not been fully examined.

Europe link for retailers

BY COLLEEN TOOMEY

THE RETAIL Consortium, which represents more than 90 per cent of Britain's retailers, cemented its European links yesterday with the appointment of its first full-time European expert.

With an increasing amount of legislation now either directed or inspired by the EEC, the consortium decided to hire Mr. Douglas Herbison to represent members' interests. Mr. Herbison, formerly a councillor and part-time research officer to Scottish Council of the Labour Party, is to concentrate on setting up direct communications with the commission, the European Parliament and the Council of Ministers.

The consortium also hopes to extend its base in the future by bringing together other retail organisations in Europe.

The European arm of the consortium has a budget of £65,000 this year which includes wages for Mr. Herbison and a research assistant and travel between London and Brussels. A group of 50 leading retailers are financing the operation.

University given oil rig model

A MODEL of a North Sea oil production platform has been presented to Glasgow University's naval architecture and ocean engineering department by Shell UK.

The 10 ft high model, presented yesterday, was built in support of the Shell/Esso studies of the North Cormorant oilfield.

New Towns talks called

FINANCIAL TIMES REPORTER

THE NEW TOWN of East Kilbride is to hold a five-day Commonwealth conference on New Towns with more than 300 delegates.

Mr. George Young, managing director of the East Kilbride Development Corporation, said in London yesterday that the conference, which opens on September 17, will give Commonwealth countries a chance to learn from the UK's experience.

There are 32 New Towns in Britain, containing one in 20 of the population.

All 39 Commonwealth countries have been invited, Mr. Young said. He was confident that the conference would be oversubscribed.

The British New Town, he said, has been regarded as "an admirable example of a complete community development. There are now many similar developments throughout the world."

East Kilbride was the first New Town in Scotland, set up in 1947. It then had a population of 2,400, now nearly 78,000.

U.S. rated top location

BY DAVID FREUD

BIG EUROPEAN companies regard the U.S. as by far the most attractive country for a business, according to a survey published in the UK magazine, The Annual Investment File. West Germany and France were the next most popular countries, followed by the UK and the Republic of Ireland.

The survey, conducted in the past three months of 1978, covered 1,144 European companies with an annual turnover of between $20m and $30m, about a fifth of the total.

Companies were asked in which country, apart from their own, they would most liked to be based. The U.S. was named by 270 companies, 26.3 per cent of the total, while the runner-up, West Germany, was a long way behind with 6.2 per cent.

France received 5.5 per cent and the UK and the Republic of Ireland 4.2 per cent each. Ireland was far more attractive to companies than other countries of similar size such as the Netherlands, Belgium and Austria.

The most important consideration was a large domestic market, followed by a low wage level in relation to productivity and good transport and communications. Good labour relations and financial and other incentives also played a part.

A total of 444 companies, or 38.7 per cent of those surveyed, expected business growth for their industrial sector to improve in the current year, while 139, or 12.2 per cent, expected a decline. The most optimistic sectors were pulp and paper, chemicals and plastics, and pharmaceuticals. The gloomiest were textiles and shipbuilding.

Companies were more optimistic about their own performances. A total of 641, or 56.1 per cent, expected an improvement, while only 100, or 8.7 per cent, foresaw a decline.

A total of 493 companies (43.2 per cent) said that their direct level of investment would rise this year; 457 (40.1 per cent) that it would remain the same; and 194 (17 per cent) that it would fall.

Savings stamps launched to help pay 'phone bills

BY JOHN LLOYD

SAVINGS STAMPS to help people to budget for telephone bills went on sale at Post Offices yesterday.

The £1 stamps can be purchased periodically and presented at a Post Office in payment for quarterly phone bills.

Mr. Peter Benton, managing director of Post Office Telecommunications said: "The value of the stamp was fixed at £1 because our research indicated that bills for those customers for whom the new service is primarily intended are generally around £12-£16 a quarter. The purchase of a £1 stamp each week will largely cover such bills."

Nearly 12m—about 78 per cent—of the UK's telephones are rented by residential customers.

More cash for museums urged

BY ANTONY THORNCROFT

AN EXTRA £6m a year for the country's museums is recommended by a working party of the Standing Commission on Museums and Galleries, under the chairmanship of Sir Arthur Drew, in a report published yesterday.

But the money would be forthcoming only if the museum authorities were able to meet 50 per cent, or in the case of a few museums, 20 per cent of the cost. The Government would also have to approve of museum plans.

The committee points out that the sum is equivalent to the cost of two to three miles of rural motorway. Only certain museums would be designated for direct Government aid, in particular those with collections outstanding in quality, depth and quantity, and serving a large area.

The obvious candidates include the Birmingham museums and art gallery, the Bristol City museum and art gallery, the Glasgow museums and art galleries and the Manchester City Art Galleries. Smaller museums run by the universities, such as the Ashmolean at Oxford and the Fitzwilliam at Cambridge, would also qualify.

A museum would apply for funds only if it wanted to be subject to some Government control, but the working party recommends that the staffs of the designated museums should be augmented and reorganised to reflect their special status.

Other possible recipients of Government aid include museums with specialised collections and museums planning approved capital schemes to house major collections. The function of the area museum councils should also be widened, and the funds allotted to them from the Exchequer should be doubled.

Another important recommendation is that national museums should accept responsibility for contributing to smaller museums. Government help should also be available to finance travelling exhibitions to replace those previously organised by the Victoria and Albert Museum.

Finally, it is suggested that an additional sum of £500,000 a year should be set aside to help the occasional purchase by major non-national museums of objects of exceptional importance and cost.

Manchester City Art Gallery plans, Page 11

Crucial meeting on BL specialist companies' future

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MANAGEMENT'S recommendation on the future of Aveling Barford and Prestcold, the remaining companies in BL's specialist engineering division, will be made at a meeting this week between the senior managers from BL, SP Industries and the two companies.

The future of the companies has been under review for the past month, following the transfer of the rest of the companies in SP Industries to Leyland Vehicles.

Options that have been considered, include selling the companies to outside buyers. As the second largest British-owned company in the construction equipment industry, Aveling Barford has attracted a lot of interest, But there have been no discussions on prices, because the review team wants to wait until the decision on its future is made.

Collaboration with another company in the industry, either British or foreign-owned is another possibility.

This week's outcome will be discussed by the National Enterprise Board. Consultations with the unions will also be held, although Aveling Barford shop stewards have had informal discussions with the review team.

The need for a revised policy is emphasised by the worsening financial situation of the two companies which is particularly acute at Aveling Barford.

Losses for the whole of 1978 are expected to be £3.5m (in 1977 the company made a profit of £3m before tax and interest), while Prestcold's profit of around £500,000 was less than a third of its budgeted profit for 1978. Prestcold suffered a long strike at its Glasgow plant last year, but it is believed to be in a healthier state at present.

Mainly as a result of the loss at Aveling Barford, and Prestcold's shortfall, SP Industries is believed to have finished 1978 with a small loss. In 1977, the division made a profit of £12.1m, a useful contribution to the troubled BL parent company.

Coventry Climax, which was moved into Leyland Vehicles with Alvis and Self-Changing Gears towards the end of last year, ended the year with a profit of around £4-5m before tax and interest.

The result will be seen favourably, considering that this company also suffered a long strike during 1978.

Sanctions trial acquittals

MORE ACQUITTALS have been directed by the judge in the Rhodesian sanction-breaking trial involving two subsidiaries of Lucas Industries, the electronics group.

The case against Lucas Service Overseas of Haddenham, Bucks., and CAV, of Acton, London, is now in its fourth week at Aylesbury crown court.

The prosecution alleged the illegal export of motor vehicle spares to Rhodesia in 1975 and 1976.

Yesterday, CAV and its exports accounts manager, Mr. John Maund, aged 52, were cleared of the three charges alleging that they agreed to supply goods knowing or having reasonable cause to believe that they would go to Rhodesia.

Judge Lawrence Verney, also directed the jury to bring in not guilty verdicts on four similar charges against Lucas and five against Mr. David West, aged 49, former manager of African affairs, for Lucas.

The trial is continuing on nine remaining charges against Lucas and four concerning Mr. West. They both deny all charges.

CAV and Mr. Maund were awarded costs and their acquittal follows a similar decision, last week, by the judge concerning Mr. Thomas Lock, aged 46, a director of Lucas.

Way ahead for clothing industry

BY RHYS DAVID

THE UK clothing industry is poised to become one of the strongest in Europe, but much remains to be done for that to come about, a report by the industry's economic development committee says today.

The report says that productivity in the industry has been better than that of manufacturing as a whole since 1973, and that exports, which have shown an 85 per cent increase in real terms in the past 2½ years, are in line with the industry's objective of £1bn overseas sales by 1980. The industry's efforts to stem penetration of the home market by imports have been helped by the new EEC/GATT Multi Fibre Arrangement bilateral agreements.

The commitee warns, however, that despite the achievements of the past few years the industry has to overcome major problems to secure its objectives. There remains a significant potential for improving productivity and performance to the highest international standards. Because of strong price competition and its effect on margins the industry has experienced difficulties in paying competitive wages, which has resulted in continued loss of skilled labour. There is also a shortage of management and professionalism in production, design and marketing.

The Economic Development Committee is concerned at the growth in imports from advanced countries which last year reduced the UK's surplus in this trade for the first time since 1975. There was also a disturbing slackening of export growth in 1978, a year when the home market was buoyant, following the doubling of overseas sales in the two years to 1977.

The Committee nevertheless retains as its objectives: an increase in exports to more than £1bn by 1980; imports in 1980 to be no more than 11 per cent higher than in 1978 in real terms; output at least 8 per cent higher in 1980 than in mid-1978 in real terms; and employment at least as high in 1980 as in mid-1978.

The report says that there will be opportunities for the UK industry to achieve a constant or increasing share of a growing UK market. The industry should consider a steady movement to better quality goods and should seek to supply outlets which are expanding or are likely to expand fastest, such as variety chains, multiple speciality stores, grocery superstores, or mail order firms.

The main area of opportunity, given the UK's advantage as a low-cost manufacturing base, should be in overseas markets, especially West Germany and the Benelux countries. Manufacturers should choose the most favourable outlets, which may not be the same as in the UK.

As evidence of the opportunities, the report says that the UK sold 9.2 per cent of all clothing exported from OECD countries in 1976 but only accounted for 5.3 per cent of imports to the top six markets, which purchased nearly 60 per cent of all OECD exports.

Greater exposure in overseas markets would tend to sharpen a company's product range and its competitiveness in the UK market. Selling in faster growing overseas markets is an integral part of a policy to take a greater share of the UK market and to increase production.

The report says the most important requirements for the industry are: improved management and marketing; achieving the improvements in productivity known to be possible; and the effectiveness of the MFA bilaterals and their continuation beyond 1981, when the present agreement expires.

The Government is urged to ensure that an effective mechanism for monitoring imports is maintained to ensure that quotas are adhered to, and that there is effective global control to prevent cumulative disruption.

The report says the committee's work programme for 1979 will concentrate on preventing further growth of imports from advanced countries, and achieving export growth. The programme will also include a project on the employment problems of the industry.

Clothing Industry EDC report. Nedo Books, 1 Steel House, 11 Tothill Street, SW1H 9LJ — free.

SNP irked by foreign land buyers

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ONE MILLION acres of land in Scotland has been bought by foreign interests in the past two years, the Scottish National Party said yesterday.

Mr. Hamish Watt, MP for Banff, said in Glasgow that the movement of overseas investors and of financial institutions into the land market was forcing the price of prime agricultural land beyond the means of most Scottish farmers.

If that went on young farmers would be unable to compete, rural areas would suffer decline as estates were taken over by absentee landlords and ultimately the population would drift away.

The only way to avoid that disaster was for Scots to vote in favour of devolution in the referendum on March 1 so that a Scottish Assembly could introduce tough measures to limit the buying of land by outsiders.

If the SNP was in power, it would set up a Land Commission to carry out a land capability survey and introduce legislation to prohibit the future purchase of land for agriculture or forestry by people who were not resident in Scotland or insitutions that did not have at least 80 per cent of their share capital in Scotland.

Mr. Patrick Milne Home told a meeting of the Royal Institution of Chartered Surveyors in Edinburgh yesterday that top quality arable farmland in Scotland might cost as much as £3,000 an acre this year. But prices were far below those in Europe, particularly Holland and West Germany, where land could cost up to £6,000 an acre.

National Trust help for farms

THE NATIONAL TRUST is to help Lake District farming by promoting more use of hand-knitting yarn spun from lakeland fleeces.

Three years ago it produced the first knitting pattern using wool from the lakeland's Herdwick sheep. Now it has produced two more pattern leaflets which show how to knit outer garments using a mixture of Herdwick and Swaledale. The National Trust owns 71 fell farms in Cumbria, which have 18,000 sheep.

Car dealers' profits rise 50% in 3 years

FINANCIAL TIMES REPORTER

AN ANALYSIS of the financial performance of 60 leading UK car dealers in the three-year period ending April 1978 showed that profit margins improved by 50 per cent, but were still comparatively low at an average of 3 per cent.

ICC Business Ratios, which compiled the analysis, said: "Even in prosperous times for the industry, margins are small and in line with other retail businesses."

The period under review was notable for a strong recovery in the car trade. Volume, prices and margins were all on a strong upward trend, so that profits increased substantially from the depressed levels of 1975.

Sales of the companies in the report rose by 56.5 per cent over the three years. Profits rose by 128.5 per cent.

The overall return on capital employed recovered from 8.8 per cent in 1975-76 to 14.3 per cent. This is still fairly low for an industry which has made a strong recovery.

The report points out that prices for both new and used vehicles have been increasing faster than the retail price index.

BL prices went up 20 per cent between 1975 and 1976, another 24 per cent the following year, and 11 per cent from mid-1977 to mid-1978.

Over the same years, Ford prices increased by 19 per cent, 23 per cent and 12 per cent respectively, while the price index advanced only 17 per cent, 16 per cent and 8 per cent.

But inflation now seemed to be slowing down, and prices were rising in line with the index.

Profits would probably increase, but the recent rise in interest rates might discourage purchases since hire purchase was an important method of financing the trade.

"For the car dealers, diversification into allied business such as car rental, manufacture of accessories, specialist retailing such as tyres, and extension of repair and maintenance, will become more important profit elements in the event of any downturn beginning about the middle of 1979."

Car Dealers, 1978; ICC Business Ratios, 81, City Road, London EC1Y 1BD; £44.

Subaru will hold car prices steady until March

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SUBARU UK, the most recently established Japanese car importer in Britain, is to hold the prices of its cars and four-wheel-drive models steady at least until March. Price changes occurred previously last June.

But the company, which is linked with the group that bought the rump of the old Jensen cars business after its financial collapse, is still waiting to hear from Fuji Heavy Industries, makers of Subaru cars, about its car allocation for this year.

Last year, its first full year of operation, it received 2,000 vehicles and hopes for 5,000 this year.

Mr. Bob Edmiston, managing director, said at the weekend: "We are able to hold prices on existing models as a result of sterling maintaining its value against the yen. But we shall be reviewing the situation again in March."

The move has much in common with Datsun's decision at the end of last year to hold prices for three months. Like Datsun at that time, Subaru is short of stock. It is quoting a two-month wait for its popular four-wheel-drive estate evhicle. It sold 624 last year and in the first 20 days of January sales were double those in the same period last year.

The Subaru GFT model, at the top of the range, will go up in price by 6 per cent, from £3,299 to £3,498, because the specification has been improved. The company says it has new protective mouldings to enhance its sporty appearance, and front-seat headroom has been increased by 20 mm.

W. Midlands plan to halt decline

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN INITIATIVE to unite industry and local authorities in a campaign to halt the economic decline of the West Midlands has been taken by the region's Economic Planning Council.

The council has recommended the formation of a West Midlands Industrial and Employment Development Association to promote and lobby for the area.

The regions which get the most serious hearing from Government are those which show a united front on regional policy and needs, the council claims in a document sent to local authorities, the CBI, TUC and Chambers of Commerce.

The council is worried at the poor performance of the local economy. It said: "By and large, the industrial sectors which dominate West Midlands industry are in trouble. Several—including machine tools, engineering, jewellery and aircraft—employ about one-third fewer people than they did only a decade ago."

The motor assembly and component industries, employing up to 250,000 people in the region, faced increasing foreign competition.

The council went on: "To complete the picture of a vulnerable regional economy we know that the West Midlands has been slipping in the productivity, earnings and personal income leagues."

The council calls for the development association to promote the region as a unit.

The association would not just seek to attract inward investment but would also help generate growth of indigenous industry.

The new association would not replace but supplement the work of existing promotional bodies. The planning council has offered to take on preliminary secretarial work for the association, but says early support from other organisations would be essential and the body would need a permanent staff and a governing structure.

William Stern denies knowing 'the grandfather'

BY TERRY OGG

THE QUESTION of whether Mr. William Stern, the former property magnate, had a high-level contact at the Crown Agents, known within his property group as "the grandfather" was raised at the Crown Agents tribunal yesterday.

Mr. Stern denied knowing anyone at the Crown Agents by such a nickname.

The name was raised at the tribunal last week by Mr. Martin Jackson, a former director of Bradley House Investments, one of the Stern Group property development companies.

A letter, written in February 1973 by Mr. Jackson to Mr. Brian James, a fellow director concerning negotiations on a development site at Epsom, in which the Crown Agents already had an interest, raised the possibility of a rival property company being interested in the site and the Crown Agents starting a dutch auction.

The letter said: "Perhaps we should have another look at the figures and offer them a once and for all £9m. I have sent a copy of this letter to Mr. Stern, asking him to have a word with the 'grandfather' to see whether we can cut out the competition."

Contact

Mr. Robert Gatehouse, QC, counsel for the tribunal, asked Mr. Jackson who the "grandfather" was. Mr. Jackson said: "I think it was Mr. Stern's contact at the Crown Agents, the man with whom he dealt on the money. I do not remember his name."

Mr. Gatehouse then asked: "Was that the name by which you and Mr. Stern frequently referred to the gentleman in question—a sobriquet?"

Mr. Jackson said: "Willie (Mr. Stern) and I did not meet very often. I do not think we discussed the grandfather very often."

Mr. John Hicks, representing Mr. Stern, suggested in cross examination that the reference to the grandfather may "just have been a phrase you used off the cuff." Mr. Jackson replied: "I think it was supposed to be a witticism."

Mr. Hicks said: "I am suggesting to you that Mr. Stern had never in conversation with you given you to understand that there was somebody at the Crown Agents whom he referred to as 'the grandfather'."

Mr. Jackson said the phrase was used "once or twice between us at various meetings."

During yesterday's hearing, Mr. Gatehouse referred to the personal guarantees which Mr. Stern had given the Crown Agents and suggested that Mr. Stern knew that these were worthless. Mr. Stern replied that while the guarantees did not add any additional monetary substance they did tie him inextricably to the loans.

Mr. Stern said: "I, unlike others, was unable to walk away from the economic conditions of 1974. I stayed with the liquidation to the end."

Mr. Justice Croom-Johnson, the tribunal chairman, suggested to Mr. Stern that he knew people were lending him money and the guarantees he was giving were worthless.

Mr. Stern said: "If you are implying a sense of recklessness in the giving of guarantees where there were not external assets, I must disagree.

Gift list

Earlier, the tribunal heard that Mr. Alan Challis, the former head of Crown Agents' finance directorate, was in the top five on the Stern Christmas gift list in 1972.

Mr. Stern said: "It may seem odd but there is a corporate pecking order and the Crown Agents were one of the very few institutions where I felt our organisation was involved at different levels."

Mr. Stern said that Mr. Challis was given a silver tea set worth more than £400, and the value of the gift reflected his place on the gift list.

He added: "He was deserving of the sort of recognition that only four other people received. Of the other four, two were lenders and two were close colleagues in the estate agency world."

On Friday, Mr. Stern was questioned about lists which he gave to the tribunal disclosing gifts valued at about £27,000 had been given in 1972 and 1973 to people including local authority officers and executives of finance companies, as well as officials at the Crown Agents.

The tribunal, established in December, 1977, is inquiring into whether there was any breach of duty by individual officials of certain Government departments, the Bank of England or the Crown Agents in connection with the agents' loss of around £200m in its 1967-74 excursion into secondary banking and property.

Health spending council planned

BY PAUL TAYLOR

THE GOVERNMENT has accepted that the National Health Service's purchasing policy needs a shake-up, and is to set up a new supply council to get more value for money and save up to £30m a year.

After a recent meeting of health service chairmen, officers and representatives of doctors, trade unions and the medical supplies industry, Mr. Ennals, Health Secretary, announced yesterday that he would decide *soon on the form and membership* of the new authority.

A new central supply unit in the health service was first proposed last year in a report by the supply working group chaired by Mr. Brian Salmon.

Mr. Ennals told the meeting, held in London last weekend, that he was determined to bring about changes in the health service supplies system to make more effective use of the service's buying power of more than £800m a year.

He said it has been sugegsted that more effective purchasing policy could save as much as £30m a year, releasing more resources for expanding NHS services.

Two alternative proposals, *have emerged from the discussions*: a capital supply council, which would formulate policy, or a central capital directorate, which would also have executive responsibility for supplies throughout the service.

Attack on building funds plan

By Michael Cassell, Building Correspondent

GOVERNMENT public expenditure plans for the building industry outlined in a recent White Paper have "appalled" the Federation of Associations of Specialists and Sub-Contractors.

Mr. Reg Freeson, Housing and Construction *Minister*, has been told by the federation, in a memorandum, that it views "with very great concern" the harsh effects that the Government's attempts to control public expenditure have had on the *industry and that it is* particularly concerned that the White Paper shows no sign of remedying the situation.

The federation says that greater attention should be given to the balance between *current and capital* and that, within the public sector, priority should be given to capital projects.

It adds in its memorandum: "There is a particular need to restore priority to local and *central* Government capital spending on construction projects, in view of the serious effects that the cuts of recent years have had on the construction industry. We are disappointed that Government assurances in this direction have not been realised."

More North Sea oil refined abroad

BY KEVIN DONE, ENERGY CORRESPONDENT

AN INCREASING share of North Sea oil production is being exported, in spite of Government policy that up to two-thirds should be refined in the UK.

As much as 44 per cent of crude oil produced in the UK sector was exported last year chiefly to Western Europe and North America.

Last month the export share was slightly higher, with 46 per cent of production going overseas: 2m tonnes out of 4.4m.

The Government is monitoring the position but the industry's performance over the past 12 months shows that it is still willing to interpret its refinery policy with considerable flexibility.

The Government would be unhappy if North Sea oil exports were to rise much higher as a share of total production.

It accepts, however, the oil industry's argument that a considerable premium is to be won by exporting the sought-after light crudes produced in the North Sea in exchange for heavier crudes from the Middle East, Africa or North and South America.

North Sea oil exports are not legally restricted, although companies are clearly open to persuasion if exports rise too far above the Government policy level.

Several refinery expansion projects under way in the UK are based on oil company hopes for exporting their share of North Sea production and importing crude.

Murphy Petroleum, of the U.S., which has a share in the Ninian Field, plans to export its North Sea production while importing Middle East crude for its refinery in Milford Haven.

● The British National Oil Corporation confirmed yesterday that it is to buy a 10 per cent share in the Beatrice Field from Hunt Oil of the U.S.

Hunt will retain a production interest in the corporation's share, which will be payable after the Corporation has recovered all its capital expenditure.

Cement group in link with Italians

By Michael Cassell, Building Correspondent

THE RUGBY Portland Cement joint consultancy and advisory venture with Société des Ciments Française has been expanded to admit an Italian cement company as a third and equal partner.

Lord Boyd-Carpenter, chairman of Rugby Portland, announced yesterday that Unicem SpA, of Italy, has become a partner in Compagnie Financière pour la Recherche et le Development (CFRD-Luxembourg). An expansion of share capital was approved and Unicem acquired all the new shares.

CFRD-Luxembourg was set up to sell the French and British companies' knowledge and expertise in countries overseas where there is a demand for cement production. It is engaged on a big contract to advise the cement industry in the Philippines.

Unicem will be represented on the CFRD-Luxembourg board by four of its board members.

Lambeth Delft slab fetches £5,000

SALEROOM

BY ANTONY THORNCROFT

A VERY rare Lambeth Delft oval pill slab dated 1687 was sold at Christie's yesterday for £5,000, plus 10 per cent buyer's premium—more than double the estimate.

No recorded similar example of that date exists. The pill slab is painted in tones of blue and carries the arms of the Apothecaries' Company. It was discovered during cataloguing for the house sale at Swithland Hall near Loughborough, home of the Earl of Laneborough, last October.

It was bought by the London *dealer Jellinek and Sampson*, who also acquired a London Delft blue-and-white figure of a seated cat, 4½ in high, dated 1680, for £4,000 and a rare Liverpool Delft lawyer's bowl, 12 in in diameter, of 1750-60, inscribed To The Glorious Incertainty of the Law.

A slipware three-handled tyg of 1707 went to the London dealer Winifred Williams for £2,800. The auction totalled £44,281.

At Sotheby's, the first day of a printed book auction totalled £42,785, with Quaritch paying £5,500, more than five times the forecast, for the Sefirat Ha'omer, a miniature Omer book of Dutch origin, dated 1705. It is the smallest Hebrew booklet known to Sotheby's.

On February 15-17, Sotheby's holds its fourth annual jewel auction at the Cresta Club in St. Moritz. Jewels have become a strong investment market in recent years, especially with businessmen. The three most important diamonds sold at Sotheby's last Zurich sale all went to the same European industrialist.

Among the most interesting items are a late 19th-century brooch with a cabochon emerald that once belonged to the Empress Maria Theresa, and an emerald and diamond necklace from Cartier. There is also a large selection of art deco items.

The 17th-century Dutch oval gold locket sold at Phillips on January 22 realised £8,200, not £2,800 as reported.

Record area reclaimed

By Paul Taylor

A RECORD 6,521 acres of derelict land were reclaimed by local authorities in England during 1977-78 according to figures published by the Department of the Environment yesterday.

The figures show that in the two years 1976-77 and 1977-78 a total of 10,515 acres of derelict land were restored to use. About 25 per cent was in the inner city areas designated under the Inner Urban Areas Act 1978.

Derelict land reclamation, 1976-78, Department of the Environment, price 60p.

Pickets grip on ports begins to relax

BY LYNTON McLAIN

STRIKING lorry-drivers eased their grip on many ports yesterday, but pockets of resistance remained. At Tilbury police were out in force as about 50 pickets tried to "blockade" the port.

Lorries moved freely in and out of the **Humber** ports and at **Bristol**, where drivers had agreed to arbitration and all pickets were removed.

No pickets were on duty at two of the main docks at Hull, where there was a gradual return to normal. By tomorrow local transport companies, which have met the drivers' pay claim, are expected to be operating as normal.

Lorries moved into **Immingham** to collect imports and there was only a small picket at the eastern docks. There were no pickets at **Goole**.

Pickets remained at Grimsby. No lorries were stopped from entering the port if their drivers had dispensation from the local strike committee.

East Anglian ports were reported returning to normal as 60 hauliers agreed to a pay settlement with 1,000 drivers.

The National Ports Council said that picketing had intensified at Tilbury.

Pickets manned the gates at the main **South Wales** ports, but local drivers with dispensation could move lorries freely in and out.

Mining equipment for export was delivered and loaded at **Newport**, and Mitsubishi Colt cars were driven away under their own power.

Non-ferrous metals were moved from storage sheds at **Cardiff** ready for delivery, and 600 tons of coffee by Freightliner to **Avonmouth** docks.

More bananans were delivered by Geest vehicles in and out of **Barry**, and 400 tons of U.S. Government stores were allowed out for delivery to U.S. bases.

Picketing at **Leith** and *Grangemouth* on the Firth of Forth remained solid.

On the Tees there was more evidence that strikers had started to obey the code of conduct issued by the TGWU. ICI was allowed to move certain chemicals.

Dockers' shop stewards at **Liverpool** agreed with the local strike committee to release the 140,000 packages of tomatoes aboard the Osaka Reefer from the Canaries.

The strikers agreed to release all future perishable cargoes. The port had only 15 per cent of its dock space available last night. Congestion will continue to build up until transport returned to normal.

UK strikes drive away French orders

BY DAVID WHITE IN PARIS

A SIGNIFICANT number of Britain's customers in France *are switching to other sources* of supply because of strikes in the UK.

This has emerged from a survey carried out by the British Chamber of Commerce in France among its members. The chamber warned that long-term trade prospects might be damaged as a result of the stoppages.

A quarter of the companies said they would buy elsewhere. The chamber said it had received 68 replies from its membership and that 65 per cent reported that business had been disrupted.

Other companies said their business with the UK might well be affected in the long-run.

About 15 per cent either had switched their purchases or planned to do so in the short-term, and another 10 per cent envisaged doing so in the long-term.

These figures, the chamber said, gained in importance because many members were subsidiaries or exclusive agents of British companies and therefore not in a position to switch if they wanted to.

Seven companies reported lost orders for goods worth a total of £500,000. These included parts for £150,000 worth of farm machinery. A tender for a £2.7m contract *might also have to be with*drawn because of increased costs, the survey revealed.

Britain's important market in whisky was among those most seriously jeopardised. Whisky importers were *losing their opportunity* when buyers were stocking up ahead of a duty increase taking effect in February.

Few back at work in South-west

By Robin Reeves

ONLY A few hundred out of nearly 3,000 workers laid off in the South-west were immediately back at work yesterday, in spite of the local agreement between the Transport and General Workers' Union and the Road Haulage Association to end the strike and send the dispute to arbitration.

The main victim, British Cellophane's plant at Bridgwater, was unable to recall the 2,000 workers laid off last week because picketing in Manchester is still holding up necessary supplies.

It is also clear that with nine-tenths of the region's trade linked to other areas, a return to normal still hinges on strike settlements elsewhere.

Reports from different parts of the South-west confirmed, *however*, that pickets had withdrawn from the docks and places of work and that drivers were resuming normal working pending the outcome of the arbitration.

Layoffs in Wales still total 11,000. Industrial action by the public service unions is continuing to disrupt the hospital service and schools.

THE CBI in Yorkshire has formed a special joint emergency committee with the Association of Yorkshire and Humberside Chambers of Commerce which will remain in being after the lorry drivers' strike is over to deal with problems caused by other industrial disputes.

West Midlands employers take back some workers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE NUMBERS of those made idle by the road haulage strike in the Midlands fell yesterday as some companies began to recall workers. About 1,300 returned at Rover, Solihull.

West Midland region of the Confederation of British Industry said it was too early to say that a fall of 2,000 in the number idle to 23,000 marked a definite trend. It detected no evidence of any break in the strike.

Mr. Douglas Fairburn, divisional officer of the Transport and General Workers' Union, maintains that many companies in the region have met the drivers' cash claim and that every big haulier will have reached agreement within the next week.

That was contested by Mrs. Joyce Ward, regional administrative officer of the Road Haulage Association. She said that members had voted overwhelmingly to stand firm against the claim for £65 for a 40-hour week.

"The union is just issuing demands," she said. "That is not negotiation."

Mrs. Ward said members would give each driver the chance to accept the national £60 offer and return to work. If they refused, hauliers would surrender their vehicle tax discs.

"That will show the drivers they intend to dig in their heels," she said.

Mrs. Ward said many drivers had voted for the £60 offer and it was hoped the number would increase rapidly in the next few days.

However, at Coventry 250 drivers who had remained at work, walked out yesterday. Local negotiations for the Coventry, Rugby and north Warwickshire areas had broken down at the weekend and the men voted unanimously to join the strike.

They are picketing 20 haulage depots in the Coventry area but insist that there will be no secondary picketing. The action is expected to have little impact on local industry for about 10 days.

The Government's emergency committee for the West Midlands reported some secondary picketing of two power stations in Staffordshire. Food supplies in the region are adequate and more salt is available.

Settlements ease chemical distribution

By Sue Cameron

THE EFFECTS of the road haulage strike on the chemical industry began to ease slightly yesterday.

BP Chemicals said that more and more local settlements were being made but that contractors were saying it might take several days to get vehicles back on the roads. Bad weather was understood to have affected lorries that had stood idle for three weeks.

Imperial Chemical Industries also said that more lorries were becoming available. But matters were being reviewed daily and its production was still only 60 per cent of normal.

HMS SOUTHAMPTON, the Royal Navy's latest destroyer, being named with the traditional bottle of champagne by Lady Cameron, wife of the Chief of the Defence Staff, yesterday. But the vessel could not move down the slipway afterwards because of industrial action by Boilermakers Society members at Vosper Thorneycroft's Woolston, Southampton, yard. The men were protesting at the state of national pay negotiations in British Shipbuilders.

Shipyard men protest over recognition

BY OUR LABOUR CORRESPONDENT

OFFICIALS OF the Confederation of Shipbuilding and Engineering Unions will tomorrow protest to British Shipbuilders about its decision to recognise the Engineers and Managers Association.

British Shipbuilders granted national recognition to the EMA, which is affiliated to the TUC, but not part of the Confederation.

The Confederation union most directly affected is TASS, the white collar section of the Amalgamated Union of Engineering Workers. It has already *instructed its members not to* co-operate with EMA managers.

At British Shipbuilders' Haverton Hill yard on Teesside, 100 TASS members were taken off the payroll last month for refusing to co-operate with the EMA.

The action has halted work by TASS draughtsmen on two refrigerated cargo vessels for the Bank and Savill Line. There have been warnings that British Shipbuilders may lose the order as a result.

British Steel plans to re-open plants as supplies arrive

BY ROY HODSON

BRITISH STEEL is hopeful that later this week it will be possible to re-open some of the steel plants crippled by the road transport dispute.

The corporation has abandoned plans to lay-off a further 700 workers at tube-making plants. The plants threatened were the Imperial Works, Scotland, the Bromford Works, Birmingham, and the Bryngwyn Works, Wales.

The corporation is finding it easier to move materials and finished products and the movement of vital steelmaking chemicals is being accomplished with less disruption than at any time during the strike.

Some 14,000 of 26,500 BSC workers laid off because of the transport strike are in the Sheffield area. The main problem facing the Sheffield and Rotherham steelworks is their lack of storage space for finished products.

The threat of a severe tinplate shortage which could disrupt production at Metal Box factories and the other canmakers is receding. A limited restart of tinplate production is being planned by the corporation at the three tinplate centres, Troestre, Velindre, and Ebbw Vale.

Pickets at the tinplate works are allowing collections to be made by customers' own vehicles. British Steel is keeping the tinplate warehouses open for as long as possible each day by employing extra shifts.

Pilkington lays off 1,000 more workers

BY RHYS DAVID

PILKINGTON BROTHERS, the glass manufacturers, laid off *1,000 more people* at its St. Helen's factory, Lancs., yesterday, bringing its layoffs to more than 4,000, and the total for the town to 9,000.

The glass industry had been hit by a shortage of raw materials, including soda, ash from the chemical industry. Other layoffs in the town include Rockware (550) and United Glass (750).

St. Helen's is one of the towns worst affected, but there are large layoff totals in other centres in the area, including Bolton (5,100) and Warrington (4,100).

In Merseyside as a whole lay*offs* have risen to 23,500, and in Greater Manchester to 14,800. The figures may rise substantially today, when employment exchanges release figures of men signing on for benefits since Friday.

Talks to end the lorry-drivers' action took place in Manchester yesterday at separate meetings between the Road Haulage Association, the TGWU and the Manchester-based United Road Transport Union.

These were followed by informal discussions between the CBI and TGWU at which regional CBI officials stressed permanent damage to industry in the area.

Food and fodder flows faster through ports

FINANCIAL TIMES REPORTER

FOOD and animal-feed supplies began to flow more rapidly as picketing eased at ports and factories, the Ministry of Agriculture reported yesterday.

Sugar distribution was back to 75 per cent of normal. Although salt works were still picketed, the pickets were not active, the Ministry said. Stocks of food in the shops were satisfactory after the weekend. There were still some shortages, mainly in the North.

Animal feed-makers also sent the Ministry happier reports. Some leading manufacturers have begun to offer their full ranges of feeds again.

Shortages of protein had forced most millers to reduce quality and supply only emergency rations.

A spokesman said that apart from persistent problems in Northern Ireland, Liverpool, Manchester and Tilbury ports were working normally, with food and animal-feed traffic moving freely.

Ulster disruption grows as lorry talks collapse

BY OUR BELFAST CORRESPONDENT

ULSTER INDUSTRY faces growing disruption after a breakdown of negotiations yesterday in the lorry drivers' dispute.

Transport and General Workers' Union officials met representatives of the haulage employers after a mass meeting at the weekend rejected an offer of £62.50 a week and improved fringe benefits.

The Northern Ireland Labour Relations Agency which brought both parties together said it was clear after only an hour that deadlock had been reached.

The employers said their offer—which amounted to 17.9 per cent on the basic minimum weekly wage—was final and they would not enter fresh negotiations.

The strike committee is stepping up picketing today, particularly at the ports. Mr. Jim Sleator, regional director of the Confederation of British Industry, said he did not think many employers would be able to retain labour as raw materials ran out and export orders were blocked. Up to 10,000 people are idle because of the dispute.

A work to rule by members of the Confederation of Health Service Employees is expected to begin to affect Ulster hospitals later this week.

Conflicting claims about Scottish pay deals

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THERE WAS little evidence of a return to normal working in Scotland yesterday. There were conflicting claims by the transport union and the Road Haulage Association.

The Confederation of British Industry said the dispute was still stopping practically all movement from ports and container depots. About 35,000 Scottish workers are laid off.

The union said that 28 companies in Aberdeen, Dundee, Glasgow, Wishaw and Ayr had so far signed or were about to sign individual agreements which conceded the claim for £65 a week.

Mr. Peter Talbot, trade group secretary for the haulage industry, said that drivers working for these companies would be returning to work when each agreement was reached and when picketing was called off.

He said: "We could provide the names of these companies, but we are not disclosing them at the moment because we know pressure would be put on them by the Road Haulage Association."

The association denied that any significantly sized firms had conceded the £65 claim.

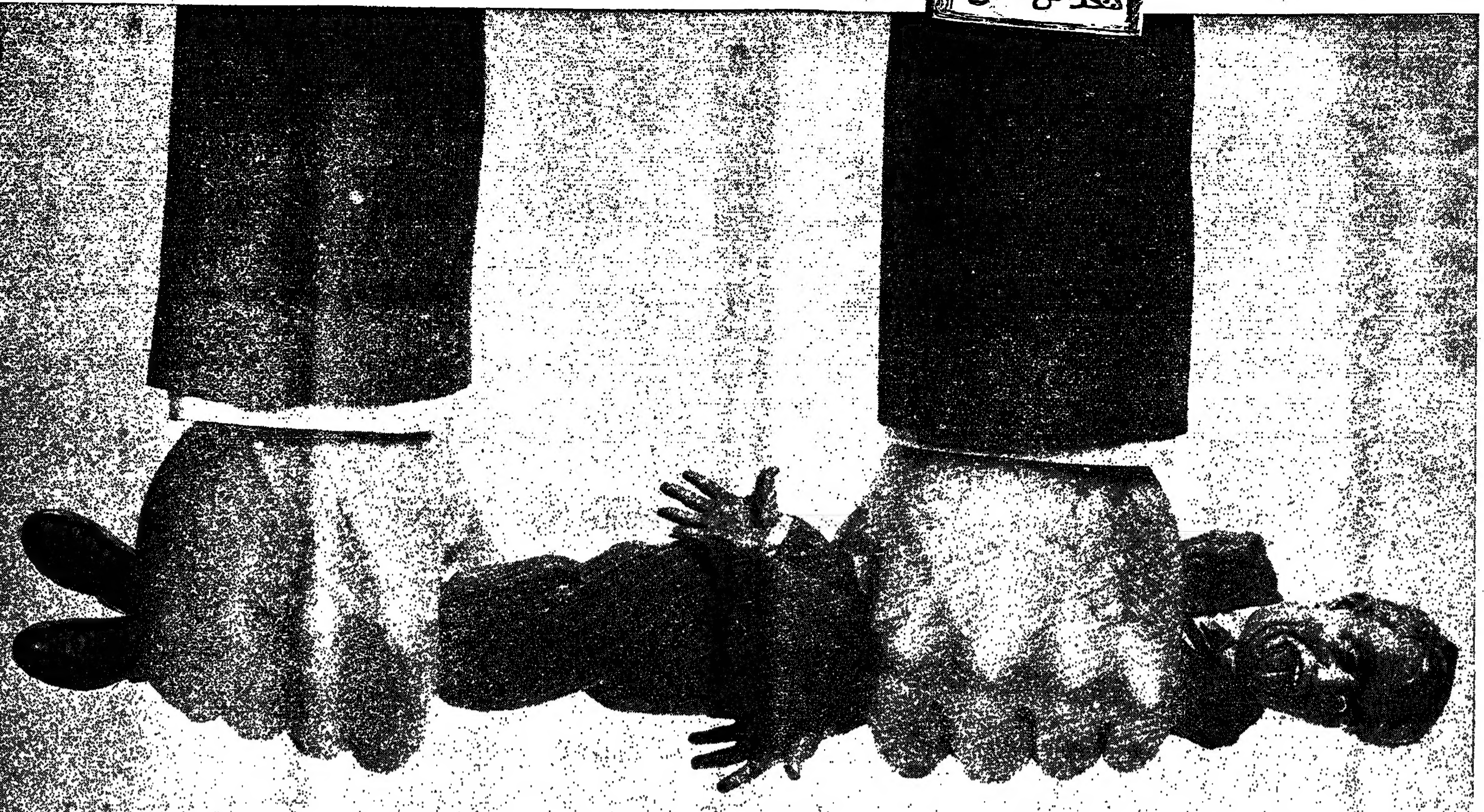
In the Aberdeen area, both sides maintained that they were winning the dispute. Mr. Danny McCormack, secretary of the local strike committee, said that only 57 drivers had returned to work for less than the full claim, whereas 16 firms had already signed agreements conceding £65.

But Mr. Ian Cooper, chairman of the local haulage association branch, replied that employers were still solidly opposing the strike, but 300 drivers in 30 firms had accepted the £60 offer and returned to work.

Aston Martins await export

ASTON MARTIN, which makes only six super-luxury cars a week, has 13, all for exort and worth £310,000, held up by the lorry-drivers' dispute. The company, at Newport Pagnell, Bucks, hopes to solve a large part of the problem this week.

Ten cars for the U.S. are at Southampton, where Atlantic sailings have been cancelled because of lack of cargoes. The company is shipping them to Le Havre by ferry, to transfer to a ship bound for the U.S. The other three are for the Middle East.



Is it really the taxman who is squeezing the life out of your company?

As calmly as you can, consider the 52% which the taxman takes out of your company's profits.

Now, just as calmly, consider this:

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3. Storage capacity up 30%, worth £10,000. Picking times down 50%. Payback, 12 months.

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THE JOBS COLUMN

Offers of money, ideas, skills and work

BY MICHAEL DIXON

"I HAVE GOT about £500,000 that I want to invest in small companies, so can you help me?" The question was asked the other day by a top executive from the European headquarters of a major multi-national, who now wants to work on his own account. And the person whom he was asking was Michael Bretherton.

The approach was the latest result of my announcement eight long weeks ago that Mr. Bretherton, who runs the executive development services of Right Match International in London, had volunteered to join the Jobs Column in an experiment.

This was to test the demand for a private-enterprise type of clearing house to bring together people with currently unemployed assets, whether they be money, ideas for products or services, managerial or other work skills, or whatever.

Inevitably, the proposal was also a test of my faith, if not Mr. Bretherton's, that this column's readership included a useful nucleus of people actively interested in contributing to spontaneous enterprise.

To be honest: perhaps because daily newspaper journalism conditions are to be voraciously impatient, I was somewhat disappointed with the early response to the scheme. Although separate checks suggested that the article had been read extensively, people seemed slow to identify themselves to Michael Bretherton as potential resources of one kind or another.

But as time has gone by I have become more cheerful. Take for instance the prospective investor of £500,000. He apparently read the proposal, which appeared on December 5, while he was in Kuwait. He then waited until he returned before responding. In another case response was delayed by procedural requirements—the case of a Dutch local authority interested in commercial ideas which could be developed so as to create productive jobs for people in its area.

As I write, we have a stock of rather more than 30 people or organisations wanting to take part in the experimental "resource-exchange."

Inventors

Five of them can be classified as inventors, the first of these being the group from Shrewsbury School whose design of the Invashrew invalid car won them first prize in their class in the BBC's competition to identify the young engineers of the year. The car is now being investigated by Warwick Production, a Thomas Tilling group company specialising mainly in medical trolleys and other equipment, as well as by a company in France. In addition, three of the young team of designers and developers have been offered industrial scholarships by United Kingdom groups, and a fourth offer seems probable.

The other four inventors are older people. Two of them are professionals who definitely share the impression, widespread among those who have responded, that society looks on new business development as something to be actively discouraged. Frustration is probably too weak a word for the feelings of those who, keen to get to work on some small-scale business activity, find that their energies are being drained by bureacratic paper-pushing and nit-picking, let alone by financial disincentives.

The other pair of inventors are amateurs whose interest in the resource-exchange springs not least from what they see as a current lack of any facility for discussing their ideas with experts in commercial development. Some readily available means of providing such feedback to often effectively isolated inventors would surely be of great potential value.

Among them, the quartet of inventive individuals are putting forward more than 1,000 possibilities of new products. These include a puncture-proof tyre; an electric oil pressure convector heater; an electric oil flash steam engine; a bicycle dynamo set with continuous lighting; a metal fabrication pneumatic component assembly; and a plastic injection moulding screen printing assembly.

The potential backers, besides the top European executive whom I mentioned earlier, range from a section of the Midland Bank down to individuals with around £30,000 to invest. In some instances, these smaller would-be backers are executives who have been reorganised out of their job and want to invest their managerial skills in conjunction with their money. A backer of another kind is Martin Gilbert, owner of a company in Devon, who is offering space and services in his factory.

People wanted

One outcome which I certainly did not expect is that the number of people offering only their skill in specialist or general management as a resource, is exceeded by people offering work for demonstrably capable managers as chief executives to start small companies, to run commercial projects already in existence, to identify new business opportunities, and so on.

To round off the current stock, Mr. Bretherton has offers of assorted consultancy services ranging from careers-counselling, through advice on non-executive directorships, to the development of a "mutual-self-help" scheme for people setting up in business for themselves.

So what comes next?

Well, Michael Bretherton and I have just agreed that the results of the experiment so far are sufficient to suggest that there is a potentially useful role for a resource-exchange. So we are going to continue the project into a second stage.

He is currently putting the resources which have already come to market, in touch with one another, and will keep an eye on anything that develops from the contacts. Meanwhile he is keen to hear from other organisations and individuals, anywhere in the world, with resources in need of matching with those of others.

During this next stage, Mr. Bretherton is willing to continue acting as the clearing house from Right Match International's offices at 5, St. James's Place, London SW1A 1NP. The telephone number is 01-491 4737, and the Telex number is 97180. According to what does, or does not happen over the next three months or so, he will decide whether or not the project is worth promoting on a bigger and wider scale.

If it does prove so, of course, the prospect will be not only exciting, but also challenging. Because resources will be needed for developing and running the exchange-resource itself. And although that challenge is as yet merely hypothetical, Michael B. would welcome any ideas readers may have on how best it might be answered.

On board

WHEN Midshipman Dixon joined HMS Ladybird in Japan in 1952, his commanding officer was Lieutenant-Commander David Sheppard. So, naval traditions dying hard, I instantly replied "Aye, aye, Sir," when the said Sheppard, now a head-hunter, asked me to signal that he is seeking a finance director for the Hammerson Property and Investment Trust.

The job carries responsibility for all financial aspects of the property group's international business. Particular concerns include relations with financial institutions, and policy and arrangements for any new financing. Accountancy qualification is less important than impressive experience in similar work, and anyone who has dealt internationally on behalf of an eminent merchant bank would have an advantage.

Salary is classified top secret. But I'll risk insubordination by guessing at a minimum of £20,000. Inquiries with appropriate qualifications to Sir at David Sheppard and Partners, 21, Cleveland Place, London SW1Y 6RL. Telephone 01-930 8786.

APPOINTMENTS

Senior changes at Vickers Medical

Mr. Kenton Wood, president of Vickers America Medical Corporation for the past four years, has been appointed to the additional post of chief executive of VICKERS MEDICAL ENGINEERING. He succeeds Mr. Chris O'Donnell, managing director and chief executive of Vickers Medical, who is taking up a new position outside the company. Vickers has also appointed Dr. Robert Brech as managing director of Vickers Medical. He has been the division's operations director for three years and assistant managing director since 1977. Dr. Brech and Dr. Colin Sowter, the division's marketing director, have both joined the Board of Vickers America Medical Corporation.

★

Mr. Frank J. Murphy and Mr. Bernard P. Cronin have been appointed directors of SUNBEAM LIMITED, a subsidiary of Sunbeam Wolsey. Mr. R. A. Price will be joining member company SUNBEAM (TEXTILES) as chief executive on February 1. Mr. Price was formerly with ICI Fibres.

★

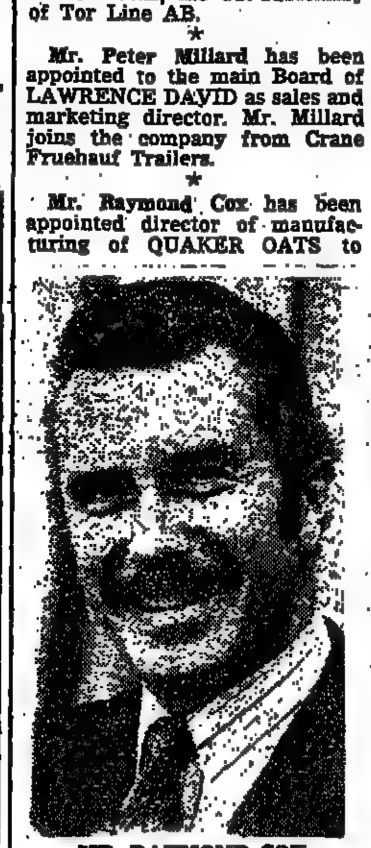
Mr. Frank Brown and Mr. J. Pietersen have joined the Board of TORLINE, the UK subsidiary of Tor Line AB.

★

Mr. Peter Millard has been appointed to the main Board of LAWRENCE DAVID as sales and marketing director. Mr. Millard joins the company from Crane Fruehauf Trailers.

★

Mr. Raymond Cox has been appointed director of manufacturing of QUAKER OATS to succeed Mr. E. J. Bishop, who has returned to the parent company in the U.S.



MR. RAYMOND COX
Quaker Oats

★

DAF TRUCKS has appointed Mr. P. Hopley as director of the company's parts division. He was formerly marketing director of Volvo's parts division in Gothenburg, Sweden.

★

Mr. Graham Jones has joined EASTHAM MAXOL, part of Burco Dean, as marketing director.

★

Mr. Michael Lewin has been appointed managing director of BEWAC WARWICKSHIRE in place of Mr. John Bristow.

★

Mr. B. H. Ross, a director of Ferodo, has been appointed a director of ENGINEERING COMPONENTS and general manager of its filtration division. Turner and Newall is the parent concern.

★

Mr. Jon Ottersen has been appointed president of the EURCONTROL group.

★

Mr. A. H. Coombe has been appointed to the Board of STURTEVANT ENGINEERING HOLDINGS and group marketing director. The parent company is Drake and Scull Holdings.

The director general of the NATIONAL ECONOMIC DEVELOPMENT OFFICE has appointed *Dr. D. A. A. Fagandini* to succeed Mr. V. B. Gerken as chairman of the Specialised Organic Sector Working Party. *Dr. Fagandini* is a director of corporate development, Albright and Wilson.

★

Mr. Richard Brook, chairman and managing director of Auto Systems, has joined the Board of ELECTRONIC SYSTEMS, which is now controlled by Auto Systems.

★

Mr. A. E. Wallace has been appointed sales director of PLANET WINDOWS (GLENROTHES), a subsidiary of Percy Lane Group.

★

Mr. D. J. Dalton is to join the partnership of KENNEDY AND DONKIN.

★

Mr. Brian Law (works and manufacturing), Mr. Harold Billingham (sales) and Mr. John P. Ward (company secretary) have joined the Boards of HEATONS HALLAMSHIRE and its subsidiaries Heatons Bathrooms and Heatons Kwikglo. The companies are members of the Pegler Hattersley group.

★

Mr. J. W. James, who has been the group's general manager UK, has been appointed by METAL CLOSURES GROUP as a full-time executive with the title of group director UK operations.

★

Mr. J. H. V. Davies, a deputy secretary in the Ministry of Agriculture, Fisheries and Food, has been appointed a member of the INTERVENTION BOARD FOR AGRICULTURAL PRODUCE. He succeeds Mr. B. D. Hayes, who has resigned from the Board following his appointment as permanent secretary to the Ministry.

★

Dr. Ing. Klaus Meincke has been appointed a member of the Board of managing directors of WESERHUTTE AG, Bad Oeynhausen, from March 1.

★

Mr. T. H. White, staff director of sales and marketing, and Mr. K. J. Bateman, company secretary, have been appointed to the Board of ARMSTRONG EQUIPMENT.

★

ELLERMAN LINES is making a series of management changes in its shipping division, ELLERMAN CITY LINERS, from March 1, following a Board decision to secure an orderly pattern of management succession in its shipping interests.

Mr. Dennis Martin-Jenkins, the group chairman, is to give up his direct General Council of British Shipping involvement. Mr. David Lloyd will be giving up his duties as chairman and chief executive of Ellerman City Liners to concentrate and advise at group level on broad shipping industry issues. Mr. Alastair Lloyd, deputy chairman of Ellerman City Liners, succeeds to the chairmanship. Mr. A. R. C. B. Cooke, chief executive of the group's two investment divisions, becomes managing director and chief executive of Ellerman City Liners.

★

Mr. James A. Graser, HAMILTON BROTHERS OIL AND GAS, general manager for the Aberdeen district with responsibility for North Sea drilling production and marine operations, has been made a vice-president of the company.

★

Mr. William Barraclough has been appointed joint managing director of HAYTERS with effect from February 1. Mr. Barraclough will take over as managing director in July, when Mr. Douglas Hayter retires at the age of 65. Mr. Hayter will remain chairman.

Mr. Eric Saunders, the company's general sales manager, joins the Board as sales director.

★

Mr. James B. Brown has been elected senior vice president and general manager of EMERY AIR FREIGHT. He succeeds Mr. John V. Healy, who has left the company to pursue personal business interests.

Mr. Ken Gordon, who has worked for Emery Air Freight in London for the past 11 years, has moved to the company's headquarters in Rotterdam as divisional service manager for Europe, Africa and the Middle East.

★

Mr. J. R. Hill has been appointed a director of HARTLEY COOPER UNDERWRITING AGENCY.

★

Professor A. D. M. Penman, senior principal scientific officer at the Building Research Establishment, has been appointed honorary professor in the department of engineering at the UNIVERSITY OF WARWICK for five years.

★

Mr. H. J. Clamp has been elected chairman for 1979-80 of the NATIONAL JOINT CONSULTATIVE COMMITTEE FOR BUILDING in succession to Mr. H. C. Morris. Mr. P. J. H. Telling has been appointed vice-chairman.

★

Mr. Peter Kilner has been elected chairman of MIDDLE EAST ECONOMIC DIGEST in succession to the late Mrs. Elizabeth Collard. *Mr. Jonathan* Wallace has been appointed publisher and Mr. Frank Harper has joined the Board.

★

Mr. Jonathan Bowman has been appointed export director at SALTER INDUSTRIAL MEASUREMENT.

★

Mr. C. A. J. Mitford has become financial controller at VOITH ENGINEERING, the UK subsidiary of the W. German Voith Group. Previously he was group financial accountant with Cadbury Schweppes.

★

Mr. E. Longden, finance director of COPYDEX, has been appointed to the additional position of deputy managing director. New members of the Board are Mr. Richard L. Connell (sales), and Mr. Andre Douek (marketing and supplies).

MR. E. LONGDEN
Copydex Ltd.

★

Mr. Stanley Edwards has been appointed managing director, Mr. Brian Conner, sales director, and Mr. Colin Parsons, technical director, on the Board of MOLYNX, a member of the M. Mole and Son group.

★

Mr. Geoffrey Armstrong has been appointed regional employee relations director, Birmingham region, for BL Cars. He was formerly industrial relations director for Leyland Vehicles, BL's Preston-based commercial vehicles organisation. Mr. Armstrong replaces Mr. Wilf Turner, who becomes director, employee relations operations for BL Cars.

★

Mr. Jonathan Griffith has been appointed group management controller for the LESSER GROUP reporting to Mr. S. I. Redstone, group managing director.

SECRETARIAL APPOINTMENTS

MEMORIAL SERVICE

HARCOURT—Memorial Service for William Edward, Viscount Harcourt, will be held at St. Lawrence Jewry, London, EC2, at noon tomorrow, Wednesday, January 31st.

COMPANY NOTICES

URUGUAY 3½% CONSOLIDATED DEBT 1891

Williams & Glyn's Bank Limited hereby give notice that they will be prepared to pay on 1st February 1979 the coupons due on that date of the above mentioned debt. Coupons must be left three clear days for examination.
5-10 Great Tower Street,
London, E.C.3.

TRAVEL

CLUBS

LEGAL NOTICES

No. 00253 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of W. H. S. TAYLOR & CO. LIMITED and in the Matter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 23rd day of January, 1979, presented to the said Court by IMPERIAL GROUP LIMITED whose Registered Office is at Imperial House, 1, Grosvenor Place, S.W.1, in the County of Greater London, Tobacco Manufacturers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 26th day of February, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

TROWER STILL & KEELING,
5, New Square, Lincoln's Inn,
London, W.C.2 (Ref: RGW/AJB).
Agents for:
J. N. B. SPARKS,
Bedminster, Bristol BS99 7JR.
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of February, 1979.

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF HARRIS & ROLFE (H & V) LIMITED

Registered Office: Brassey House, New Zealand Avenue, Walton-on-Thames, Surrey.

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the Creditors of the above-named Company will be held at 35, Clifford's Inn, Fetter Lane, EC4 in the City of London on Tuesday, 20th February, 1979 at 11.30 a.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 18th day of January, 1979.
By Order of the Board,
C. HARRIS, Director.

COMPANY NOTICE

PULLMAN INCORPORATED

PULLMAN INC. reported the best year in its 111-year history, with a 93% increase in earnings over 1977.

	1978 $	1977 $
Revenues	2,599,853,000	2,034,651,000
Net income	63,903,000	33,123,000
Net earnings per share	$5.83	$3.03
Consolidated backlog	4,200,000,000	4,200,000,000

C. P. Lattin, Jr., PULLMAN's President and Chief Executive Officer, observed that the corporation is "well positioned for a positive performance in 1979 with the record backlog for transportation equipment, the stable growth potential of the leasing, financing and insurance subsidiaries and a solid beginning backlog of engineering and construction projects."

The Board of Directors declared a $0.40 per share dividend for the first quarter 1979, payable March 14 to shareholders of record on February 14.

CONTRACTS AND TENDERS

KINGDOM OF MOROCCO

OFFICE NATIONAL DE L'EAU POTABLE

INVITATION TO TENDER

WATER SUPPLY TO THE COASTAL ZONE BETWEEN RABAT AND CASABLANCA

HIGH PRESSURE STATIONS

The "Office National de l'Eau Potable" invites tenders for the supply and installation of electrical and hydro-mechanical equipment of two high-pressure stations in Rabat and Bouznika.

—Debit 2.3 m³/s and 2 m³/s.

—Manometric height 30 and 40 metres.

The works will be accomplished with the financial participation of the International Bank for Reconstruction and Development (IBRD).

A copy of the relevant documents can be collected, against a cheque of 600 Dirhams made payable to "Monsieur le Directeur de l'Office National de l'Eau Potable," at the following addresses:—

—L'Office National de l'Eau Potable,
6 Bis, Rue Patrice Lumumba,
Rabat—Maroc.

—SAFEGE: Ingénieur Conseil,
72, Rue des Suisses 92.000,
Nanterre—France.

Submissions should be sent to Monsieur le Directeur de l'Office National de l'Eau Potable, B.P. Rabat-Chellah (Maroc) in two separate envelopes:—

(a) One containing financial references and technical references of works of a similar nature and importance accomplished by the company.

(b) One containing the actual submission with a provisional guarantee equal to 1.5% of its total value.

Only submissions by those companies whose references have been judged adequate will be considered. Preselection will take place immediately prior to the opening of the submission envelopes.

The closing date for submissions is 7th March, 1979, at 12.00 hours.

Teachers 'free to cross pickets'

Mrs. Shirley Williams

MRS SHIRLEY WILLIAMS, Education Secretary, was accused yesterday of following Prime Minister James Callaghan's lead and "calling on people to cross picket lines."

The angry charge came from from Labour leftwinger Mr. Norman Atkinson in the Commons yesterday.

Mrs. Williams replied that the National Union of Public Employees, the General and Municipal Workers' Union, and the Transport and General Workers' Union had all made clear that children and teachers were free to cross their picket lines.

"I strongly believe that, wherever possible, authorities should keep schools open, though it is legitimate to say that teachers should not undertake jobs normally carried out by the other unions' members," she said.

She was reporting to MPs on current schools difficulties in reply to a private notice question.

She said she deplored the action which threatened closures in Haringey, Sunderland, and Newcastle on Tyne. "I hope the public service workers will reflect on the repercussions such actions will inevitably have."

The Education Secretary supported the Inner London Education Authority, which said schools should remain open as far as possible.

She agreed that the inability to supply school dinners was not a good enough reason for closure.

Mr. Mark Carlisle, Shadow Education Secretary, said: "There is a statutory right on the local education authority, parents and Mrs. Williams herself, to see that children are properly educated."

He urged local education authorities to make alternative arrangements for opening schools where caretakers were in dispute.

Mrs. Williams stressed that all schools should be kept open as far as possible.

Mr. Eric Heffer (Lab., Walton) urged the Education Secretary to "spare a thought" for the low-paid caretakers. They had a very, very good case indeed.

Price Commission Bill faces stormy Commons passage

CBI warned not to cause a panic

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Confederation of British Industry and its director general, Sir John Methven, were strongly rebuked last night by Mr. Roy Hattersley, the Prices Secretary, for their criticism of the Government's proposed changes in the prices code.

Mr. Hattersley said the CBI would be to blame if its attacks led to a loss of confidence and morale among businessmen and industrialists.

His remarks came in the second reading debate on the controversial Price Commission (Amendment) Bill. This removes the automatic profit safeguards which allow a company to put up its prices during an investigation by the Commission.

The Bill, which is likely to have a stormy passage, came under bitter attack from Mrs. Sally Oppenheim, the Conservative shadow prices secretary.

She denounced it as a fraud which had been introduced in an attempt to put a temporary halt on prices increase during the run up to the General Election.

It had been brought in as a sop to the unions and would lead to bankruptcies, and a loss of investment, she said.

Opening the debate, Mr. Hattersley told the House that he had two meetings wtih the CBI about the Bill, one of them only last week. The Confederation still continued to talk as though it would mean the Price Commission imposing a pattern on profits and investment throughout industry according to a crude and systematic formula.

"If they discuss the work of the Price Commission in that way and if there is the result of a loss in confidence and morale, it is the CBI and the CBI alone which must be held responsible for that loss."

No one could believe that the Price Commission would use its power in a destriuctive way. There could be no doubt, however, that in the past the profit safeguards had prevented it from using its powers at all.

When the safeguards were removed by the Bill, the Commission would continue to operate by a simple rule. Companies would be told: "Justify the increase and it is yours. Fail to justify it and you are not allowed simply to pass it on to the consumer."

The fear and horror expressed by the CBI director-general could be totally allayed, said Mr. Hattersley. Profits for the increase in investment, the creation of jobs and promotion of exports were wholly safeguarded in the general sense under the Price Commission Act with or without the profit safeguards.

He described as "bizarre" the allegation from the CBI and the Opposition that the Bill had no bearing on the problems now facing the country.

Mr. Hattersley denied that the intention of the Bill was to make the Price Commission an instrument of wages policy.

Its work was most valuable when it looked at areas where the "cold wind of competition was now blowing very fiercely."

He wanted powers to "bring some of the facts of competition to areas where they don't exist at the moment."

If the Bill became law, the Commission would no longer have to "rubber stamp" increases which it wanted to prevent.

He gave five examples where every penny of an increase had been granted automatically, because safeguards stopped the Commission preventing them.

The applications had been from Tate and Lyle, British Railways, Allied Breweries, the South of Scotland Electricity Board and London Transport.

He emphasised that the Bill would allow the Commission to exercise its powers more effectively over the nationalised industries.

The safeguards had prevented the Commission from making increases in one third of the investigations carried out since 1977. The discretion which the Commission should have possessed had been completely removed.

He cited the cases of Imperial Tobacco, Lever Brothers and Cadbury-Schweppes.

These companies had been able to say: "This is the price increase we chose and the Price Commission had been unable to prevent them automatically going ahead."

He wanted to see a system where the Commission could prevent increases that seemed unreasonable. Many of its members regarded the safeguards as an unjustifiably limitation on its powers.

In a written Commons answer, Mr. Robert MacLennan, Under-Secretary for Prices, said that the price increases awarded under the safeguard regulations since August 1977 was approximately £365m annually.

If they had been passed on they would have added 0.5 per cent to the annual sum of consumer expenditure.

Directors oppose new powers

THE Government's declared intention to widen the Price Commission's powers was condemned yesterday by Mr. Denys Randolph, chairman of the Institute of Directors.

"Parliament is debating the Government's hastily-introduced Bill to widen the powers of the Price Commission," he said in a statement.

"It will be able to investigate at whim the pricing policy of a company and to freeze its prices for three months without paying attention to the existing profits safeguards which protect the company's profitability.

"This lays bare the Government's departure from its much-discussed industrial strategy, published in July, 1978, under which the employment prospects of every man and woman in this country were to be improved by encouraging the success of manufacturing industry.

"How can such an aim be squared with the new arbitrary powers proposed for the Price Commission? Strangling the already-dangerously-squeezed profits of the wealth-creating sector is hardly the way to strengthen manufacturing industry or to brighten the job prospects of those in this country who are today seeking work."

Gloomy Heath calls for more political unity

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

Mr. Edward Heath, the former Conservative leader, broke his brooding silence yesterday to call for a common approach to the problems facing Britain.

Following what was mostly a deeply pessimistic analysis of the country's problems, he said that there was enough common ground between the political parties to launch a national revival.

He stopped short, however, of proposing a fully fledged government of national unity.

He was also sufficiently imprecise about the areas of possible all-party co-operation not to offend his successor, Mrs. Thatcher, who had herself offered the Government the Tories' support for measures to control secondary picketing.

He appeared to be suggesting that there might be scope for co-operation over counter-inflation policy and ensuring respect for the law.

The industrial situation in Britain, he said, with its undertones of fear, demonstrated beyond doubt that no political party enjoys a monopoly of good relations with the trade unions and that no Government was impervious to the challenge of those who wished to assert their interests over and above those of the whole community.

Britain's deep-seated problems in industrial relations would face Governments of every colour.

The country had learned from "bitter experience" after the defeat of his Government in 1974 of the consequences of soaring inflation.

He had hoped that Britain had become determined never to allow inflation approaching that scale to happen again.

"Yet here we are, less than five years later, insisting on wage settlements that can only send inflation soaring once more. We have been round this course and we know the outcome only too well."

His address to journalists at a Newspaper Press Fund luncheon in Glasgow was his first major speech since November. He called for a common approach to those tasks on which the country could unite.

"Let us set aside for the time being those on which we are divided."

Mr. Edward Heath

The phenomenon which Britain was witnessing went far beyond the work of left-wing agitators or militant minorities who had held the country to ransom in the past, he said.

After the experience of the last 30 years, politicians ought at least to be able to agree that they were all confronted with common problems.

The voter saw this clearly enough. Respect for Parliament and its authority could not be restored until politicians acknowledged that the electorate already knew.

"It is only when our fellow citizens see a unity of approach on these matters in Parliament that they will themselves work for that same unity in their daily lives," he said.

Threat to act over dumping

BY IVOR OWEN

IF THE EEC Commission is unable to protect British domestic appliance manufacturers against dumping, the Government will explore other avenues, Mr. Michael Meacher, Under-Secretary for Trade, assured the Commons yesterday.

His statement caused a stir on the Opposition benches, and among Labour and Tory anti-marketeers, but MPs failed to gain any further elucidation of the Government's intentions.

Mr. Meacher insisted that it would not be in the interests of either workers or management in industry if he were to be more specific.

Mr. Wyn Roberts (Cons., Conway) led the protests by pointing to the damage being caused to companies in his constituency through the dumping of Italian washing machines.

He said dumping was difficult to prove because of the different subsidies given by the Italian Government.

Mr. Meacher explained that allegations that certain domestic appliances were being dumped had been passed to the EEC Commission, to whom the anti-dumping powers previously exercised by the Department had been transferred.

None of the complaints had yet been substantiated.

Labour anti-marketeers renewed their demands that Britain should leave the EEC after they were told that the UK had a crude trade deficit of £2,485m with the Community in 1978.

Rees sees end to drivers' strike

BY IVOR OWEN

NEW APPROACHES made by the Government to the trade unions should lead to wider observance of the voluntary code on picketing at the docks and ease the growing problem over exports, Mr. Merlyn Rees, Home Secretary, told the Commons yesterday.

He gave a generally optimistic acccount of the success achieved so far in maintaining supplies and services, and gave tenative figures to support the view of Labour backbenchers that the growing number of regional settlements could open the way for a speedy end—on a national basis—to the lorry drivers' strike.

But the Home Secretary made it clear that while he would welcome a return to normality and the standing down of the Cabinet emergency committee, he would be "sad" for the Government's pay policy.

The information available to him suggested that regional settlements covered 10,000 out of the 40,000 or 50,000 lorry drivers on strike.

On the whole, Tory MPs were less strident than on earlier occasions in their criticism of the Government's handling of the distribution problems caused by the strike.

But Mr. John Nott, shadow trade minister, stressed that, taking account of the Christmas and New Year holiday period, Britain was experiencing the worst blockade of the ports since the war.

The Home Secretary saw early prospects of a return to normal working in the East Anglia ports, including Felixstowe, Ipswich and Harwich.

He claimed that there was now "practically" no picketing at Avonmouth. He understood that movement was beginning at Hull but this would have to be checked.

Mr. Rees pointed to the government's success last week in securing union co-operation in clearing the movement of priority medical and pharmaceutical supplies as an example of the response which it was hoped to obtain over exports.

He emphasised that, in the light of growing public anxiety about the threat to supplies and employment, and in particular the effect on exports, it was essential that the code of practice should be applied strictly at the docks and at the inland container terminals.

"This means that there should be no hindrance to any movement out of the docks or terminals of priority supplies, whether or not they are carried by Road Haulage Association vehicles, and no hindrance to the movement of other supplies of all kinds when carried by vehicles which are not party to the present dispute.

"We have emphasised to both unions (TGWU and the URTU) that it is vital that pickets should not obstruct these movements and must not victimise these drivers.

"This is fully in keeping with the code of practice and the instructions given by the union to its members."

As a result, said Mr. Rees, the Government hoped that companies not involved in the dispute who had business at the ports would find it possible to resume their normal operations.

Dealing with the position in industry, he reported that since the statement made last Friday by Mr. Eric Varley, the Industry Secretary, new figures showed that production in manufacturing industry had suffered a further decline to less than 85 per cent of normal.

The number of workers laid off was by the end of last week probably around a quarter of a million. Certain key industries, such as chemical and metal manufacture, had been particularly hard hit.

So far as food was concerned, said the Home Secretary, supplies generally of goods in the shops were adequate.

Housewives had shown great common sense. Some commodities had been scarce but the position on salt and fats was improving, and the Government was endeavouring to ensure a better distribution of sugar so that supplies would be better in the North-west.

Mr. Rees also reported that farmers and feedstuff manufacturers had been successful, despite difficulties, in maintaining supplies to livestock. There had been no slaughtering of stock.

On picketing, he understood that there had been a reduction in secondary picketing in many parts of the country and that the operation of the code of practice had alleviated many major difficulties.

Mr. William Whitelaw, deputy leader of the Opposition, protested that more and more people were being affected by the current wave of strikes, including patients in hospitals and others who relied on public services.

"It is time for some clear leadership to be given by the Government," Mr. Whitelaw declared amid Tory cheers.

With support from the Labour backbences, Mr. Rees maintained that the steps taken by the Government to secure the movement of esential supplies had proved more effective than anything that could have been achieved through the declaration of a State of Emergency as advocated by the Opposition.

Whisky jobs could land on the rocks

MANY jobs in the bottling and packaging sectors of the Scotch whisky trade could end up "on the rocks" because whisky is being exported in bulk, David Canavan (Lab., Stirlingshire) said yesterday.

There was concern in the trade union movement about the damaging effect of bulk exports on jobs in the bottling, capping and packaging industry.

Mr. Canavan also attacked whisky distillers who, he said, were exporting Scotch in bulk to overseas companies who mixed it with inferior spirits and passed it off as genuine Scotch whisky.

Mr. Michael Meacher, Trade Under-Secretary, confirmed that the Government was aware of the problem. This was why it had asked the National Economic Development Organisation to produce the report published last month.

One of the conclusions had been the undesirability of exporting Scotch in bulk. But this was a difficult problem to tackle and the Government was looking for a united front within the industry. This was not currently forthcoming.

Last year, 74m proof gallons of Scotch and Irish whiskey had been exported in bottles and 32m proof gallins in bulk.

EEC trade figures anger MPs

LABOUR MPs yesterday demanded that Britain should quit the EEC because of "disappointing" trade figure with Common Market countries.

During Commons questions, Mr. Dennis Skinner (Lab., Bolsover) said Britain should pull out unless she could solve trade problems which were resulting in "large dole queues."

He was commenting on 1978 figures which gave Britain a crude trade deficit with the EEC of £2,485m.

Mr. Michael Meacher, Trade Under-Secretary, said the permanent effects of EEC membership could not be established "at this stage."

Disposable weapons adopted

THE BRITISH ARMY is to be equipped with cheap throw-away anti-tank weapons, the Ministry of Defence said yesterday. The LAW (Light Anti-Tank weapon) packs enough punch to knock out the tanks of the 1980s and is light enough to be added to an infantryman's normal equipment.

And it is so cheap to produce that it will be discarded after a single shot.

This new generation weapon was conceived by the Royal Armament Research and Development Establishment and was developed by Hunting Engineering. Its British makers hope it will be adopted by other NATO armies in the 1980s.

Statement promised on EMS

By Our Parliamentary Staff

THE Government is not yet ready to make a statement about whether Britain will deposit currency reserves with the European Monetary Co-operation Fund.

Mr. Denis Healey, the Chancellor, said that the position on the start of the new EMS arrangements was still uncertain at the moment. "When it is clearer, I will announce the Government's decision on depositing reserves with the European Monetary Co-operation Fund.

Code upheld

MR. HAROLD WALKER, Employment Minister, last night rejected demands for the Government to amend the Trade Union and Labour Relations Acts over secondary picketing.

No figure available for export losses

BRITAIN IS suffering the worst blockade of her ports since the Second World War as a result of the lorry drivers' strike, Opposition Trade spokesman Mr. John Nott claimed in the Commons yesterday.

The strike, covering both the Christmas and New Year holidays, was also the longest the country had faced since the war, he said during question time.

He asked Mr. John Smith, Trade Secretary, whether he welcombed the injunction United Biscuits had won to ban secondary picketing.

Mr. Smith replied he had not had the opportunity to study the judgment on the case and so could not make any comments about it.

Earlier, Mr. Smith had told MPs that exports to a very high value were being help up because of the dispute, but he could not put a figure to the amount involved.

Mr. Smith added: "If this were to continue, the strikers could cause lasting damage to employment in the export industries.

"The damage can be limited if we can get goods moving freely in and out of the ports, and I am working with my colleagues to secure this."

Mr. Robert Adley (C Christchurch and Lymington) said the public felt "widespread disgust" at the picketing which was taking place.

Later, Trade Under-Secretary, Mr. Michael Meacher, said it was facile to assume that those who went on strike actually caused a strike.

Mr. Nott said that if this was not the case, did responsibility for refusing to break the pay guidelines lie with the Government or the employers?

Mr. Meacher said: "You know perfectly well that strikes are actually a very complex matter and their causes run very deep.

"It is not the fault wholly, in almost every case, of one side."

Navy order for three vessels

AN ORDER was placed yesterday with Vosper Thornycroft (UK) for the construction of a third of the Hunt Class of mine counter-measures vessels for the Royal Navy.

Dr. John Gilbert, Defence Minister, told the Commons of the order in a written answer.

He said the vessel would be called HMS Cattistock.

An order had also been placed for the construction at Yarrow (Shipbuilders) for the construction of two further Hunt Class mine counter-measures vessels.

Waiting list

A TOTAL of 1,177 patients were awaiting kidney transplants last year. Health Minister Mr. Roland Moyle said yesterday in a Commons written reply to Mr. Ian Wrigglesworth (Lab. (Lab. Thornaby).

Tribune complaints

BY OUR LOBBY STAFF

MEMBERS of Labour's Tribune Group last night requested a meeting with the Lord Chancellor to discuss last week's judgment on secondary picketing.

They believe Mr. Justice Ackner, who heard the case brought by United Biscuits, overstepped the mark when explaining his decision to grant an injunction against Mr. Falls.

In a statement issued after its weekly meeting yesterday, the group claimed that Justice Ackner's observations constituted not a legal judgment but a political one since he based his findings on what he conceived, and what he thought the public would conceive, as being in the national interest, rather than on considerations of law.

Such considerations were not matters for the courts, the group emphasised, but for Parliament. They claimed that the judge's observations constituted yet another example of the courts seeking to usurp the powers of Parliament.

This development "strikes dangerously at the very roots of the British democratic system" the MPs maintained.

The meeting also reaffirmed the group's support for the local authority workers claim for higher wages.

They intend to continue using every possible opportunity to remind Ministers of what the group regards as its duty to improve the wages of the lower paid.

MANAGEMENT EDITED BY CHRISTOPHER LORENZ

Trade with Comecon is not for the fainthearted

BY ANTHONY ROBINSON

SUCCESSFUL penetration of the various national markets which make up Comecon is fraught with many a Catch-22 type situation. The first, and most important, is that success tends to depend very largely on already being known and having a successful track record. In practice this means a long history of contacts with the tough professional negotiators of the Foreign Trade Organisation (FTOs) who have a monopoly in the Soviet Union and most of the other Comecon countries.

The fact that, with the partial exception of Hungary, foreign trade is considered too serious a business to leave to "businessmen" in the western sense is one of the great distinguishing marks of trade with the centrally planned economies. The other is that foreign trade is closely tied in with the overall economic targets laid down in the various five-year and annual plans and the availability of hard currency to finance them.

Yugoslavia, which is not part of Comecon, is the only socialist country where a western businessman can pack his bags and make directly for the office or plant of the company to which he wishes to sell. In most of the Comecon countries the businessman usually never gets to meet the final customer for his product and indeed can usually only get the necessary visa on receipt of a formal invitation from the Foreign Trade Organisation or organisations which are competent to deal with his industry.

This means that the first meeting with the FTO is usually the culmination of months of research, contacts with the local representatives of the FTO in London and acquaintance with bodies like the Department of Trade, the Export Credit Guarantee Department, as well as the East-West trade department of the local Chamber of Commerce and the sort of seminars and receptions which they organise. In many cases the initial visit is in the company of other, more experienced traders, on one of the frequent trade missions which are subsidised by the British Overseas Trade Board.

To a considerable degree, therefore, the persistence and dedication which is required to reach first base in trading with Comecon is in itself a fairly selective process.

Trading with Comecon is definitely not for the fainthearted, nor is it recommended for companies with a temporary surplus of capacity looking for a convenient export market.

The advice of the professionals who account for a large proportion of the £1bn-worth of UK exports to Comecon annually is that the decision to engage in Comecon trade should be made at board level. It is also very important that the export manager in charge be given ample negotiating authority and that the chairman or other top board members be prepared to back him up and travel himself when required.

The Soviet Union and the other Comecon countries take foreign trade very seriously indeed. President Leonid Brezhnev and Premier Alexei Kosygin themselves turn out on the most important occasions to greet foreign businessmen, like Giovanni Agnelli of Fiat or

"We're a bit low on cash at the moment, comrade, but I can offer you 13 million cans of bortsch."

the leaders of the recent 300-strong delegation of U.S. businessmen, with the sort of pomp and circumstance usually reserved for heads of state.

As a general rule the men doing the negotiations in the FTOs will have been in their jobs for years, and often decades. They tend to be very cautious and prefer to deal with people they know and products with which they are familiar. Innovation of any kind requires a careful decision, which has to be collectively arrived at, and a degree of risk. The penalties they face for making the wrong decision can be traumatic while their rewards for risk taking are slim and uncertain.

Many companies over the past decade have pitched their first efforts to break into Comecon through Poland and Hungary and other more flexible markets, and a good track record elsewhere in Comecon is a definite advantage in subsequent trading with the Soviet Union or other bloc countries.

By and large the Comecon negotiating system is much better at driving a hard bargain with Western businessmen than it is at penetrating Western markets with its own products. The recession and protectionist tendencies in many Western markets coupled with the perennial hard currency shortage, has exacerbated the problem.

It means that having cleared most of the initial hurdles the FTO might come back and say "we like your product, we want to buy it—but we do not have the hard currency, will you take Zlotys . . . or jam?" To avoid nasty surprises on the payments front it is advisable to maintain both the closest liaison with your own bank and keep the Foreign Trade Bank of the target country itself in the picture.

Indeed, good liaison at all levels is a vital and complex part of the whole balancing act. This is specially so when negotiations are taking place simultaneously with several FTOs, as is frequently the case when a deal involves, say, a specific branch of the engineering FTO (the main negotiator) with, say, the FTO involved in the import of plant dealing with the licensing aspect.

Jealousy and rivalry between FTOs is far from unknown and making sure that all are informed of the state of negotiations without incurring the wrath or suspicion of any participants is an exercise which frequently calls for considerable skill.

One of the great advantages to Comecon of having professional foreign trade negotiators is that they are an important channel for providing a great deal of free technical information. All insist on having the fullest possible documentation from their potential suppliers. No company stands a chance unless it is prepared to supply this information (usually six copies).

It is important to remember here that one copy will eventually find its way to the eventual end-user whose technical evaluation will influence the outcome.

Steering a middle way between providing enough information to clinch a deal without giving away too many commercial and technical secrets is a major problem for many high technology exporters. This becomes clear when the FTO proposes a "technical exchange." What usually happens is that the FTO asks for information, and when it is received it asks for more. But when the exporter requires information about the industry which is supposed to use the equipment, it is often refused on the grounds that it is not a question of "know-how" but an "industrial secret."

The FTOs possess a considerable armoury of psychological and technical means of screwing down prices. It is vital to remember that pricing has to be worked out extremely carefully, to include a negotiating margin which can eventually be conceded totally or in part in order to allow the negotiators to gain the bonuses which they earn on screwing down the original terms.

But price is not the only factor determining the eventual profitability or otherwise of the deal. In view of the penalty clauses for late delivery part of the bargaining technique is to try to secure the earliest possible delivery times. Rash promises of delivery dates is a sure-fire way of losing money. Inflation is another factor which has to be carefully included in the calculations as there is no question of escalation clauses being accepted.

Other major pitfalls include the kind of performance guarantees which may be required, especially when the performance of the plant or equipment may well be vitally affected by the quality of locally supplied components or raw materials over whose quality the supplier has little or no control. The same applies to the question of ensuring the quality and delivery of parts or materials in the case of complex buy-back or compensation deals.

Once the contract is written it is virtually engraved in stone and in all stages leading up to the contract old hands in the Comecon trade game insist that a totally competent translator/interpreter and a stenographer to take notes during negotiations is vital.

Opinions differ however on the services of a lawyer. Some of the most experienced and self-confident veterans, like Mr. Peter Bennett, executive director of Lucas East-West, hold that taking a lawyer with you into negotiations complicates matters horribly: "If you bring one, they bring one and negotiations then can be awfully tedious."

Others, like Ralph Land of Rank Xerox, take the opposite view and insist that a lawyer should be present at all stages of negotiations — although all are agreed that careful examination of the fine print is vital to avoid expensive misunderstanding.

In view of the time and effort involved in finalising contracts it can legitimately be asked: Why bother, when there are easier markets to be tapped? The idea of an "easy market" is increasingly an illusion and the real choice is between two markets, each with its own set of difficulties. Most Comecon markets, the Soviet Union in particular, have a good record for paying up regularly and on time, although increasingly hard currency difficulties have led to delays in payments from the most tightly pressed.

Finally, although a growing number of western companies have taken the plunge and gone through the difficult and expensive process of establishing representative offices or service organisations in Comecon countries, the industrial structure is such that once the decision has been taken to buy a product the overall costs of penetrating the market tend to be comparable, or less than would be incurred in exploiting, say, the U.S. or other markets which require the establishment of an elaborate sales and after sales network throughout the country. Centralising through the FTOs does, after all, have its advantages.

Incentives to get employees to move

DESPITE CONSIDERABLE reluctance among many employees in recent years to being relocated by their companies within the UK, mobility is none the less increasing, according to a report just published by the British Institute of Management.

A variety of excuses are put forward by those who do not want to make a move. They include family commitments, the education of their children and financial considerations.

Now, however, the economic situation is seen as such that some staff show active willingness to seek employment further afield and movement is thus becoming a more acceptable way of life. Company reorganisation has also been a spur to increased staff mobility, as have policies of decentralisation, particularly to development areas and new towns.

Of the companies surveyed by the BIM, a majority said that outright refusal by an employee to accept a transfer would prejudice future career prospects, with dismissal or redundancy being the final outcome in some cases.

Employers have a legal right to transfer employees if their contract requires them to be mobile as a condition of employment, or if the change in the location is so slight that it would not constitute a material change to the contract of employment.

Virtually all the companies studied had a policy of refunding a large part of unavoidable costs incurred in relocation. And 82 per cent said they assisted new employees moving, particularly when trying to attract senior or scarce staff.

A quarter helped existing employees moving house, but not their job, or who were alternatively transferring at their own request.

Over three-quarters of the companies surveyed provided bridging loans, with just under a half imposing no limit. Many companies did not charge interest and all required repayment of a loan on completion of a purchase, or imposed a time limit.

Varying procedures were adopted by companies offering preferential rates on loans. Normally, loans were restricted to married employees or those who were already house-owners. Careful checks were made on an employee's ability to repay a loan and the market value of a property. They obtained details of mortgage agreements, and required employees to complete an agreement setting out the terms for repaying a loan.

If employees were moved from low to high cost housing areas, less than half the companies helped by paying an excess rent allowance or providing a loan or attempting to cover the increase through a salary increase.

Legal and other fees were usually paid in full "as long as they are reasonable," and disturbance allowances were also usually paid in lump sums ranging from £350 to £1,700 although these are taxed.

Transferring Employees — Policy and practice in the UK. Management Survey Report No. 43, available from the BIM; Publication Sales, Management House, Parker Street, London WC2B 5PT, price £6 to members and £12 to others.

Nicholas Leslie

Benefit of cost analysis

The Principles of Practical Cost-Benefit Analysis: Robert Sugden and Alan Williams; OUP; £4.50.

IN THE nationalised industries methods of making effective decisions based on cost benefit analysis are often similar to those in private industry, and decision makers in both sectors are expected to operate according to normal commercial principles. But for public servants—say in the police force, the NHS and the DES—it can be much more difficult.

Assuming the civil servant is completely clear about the ends he should pursue he still requires a method of analysis for evaluating the best way of implementing policy objectives on any given project.

With the aid of a wealth of individual examples this book takes the reader step by step through a financial and social methodology—the principles of practical cost-benefit analysis—that should better enable the public servant to make cost effective decisions

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● AUTOMATION

Eyes on the clock

ELECTRONIC CLOCKING-IN stations and a controlling microcomputer form the heart of a centralised timekeeping system offered by General Engineering and Trading, Antwerpsebaan 91, 2150 Oostmalle, Belgium.

Each employee is issued with a plastic card in which his identity is held on an internal lamination with non-magnetic non-ferrous elements that can be read by the terminals.

An unlimited number of card-reading terminals can be employed at entrances and other key points in a building. Each consists of an illuminated display providing time data to the employee and a slot in which to insert the card. There are no other controls.

The employee simply inserts the card one way up or the other, depending on whether he is entering or leaving. Beyond 300 employees cassette or floppy disc memory is used; below, solid state elements are employed.

Normally, time is displayed on the terminal (24 hour basis); when a card is inserted the employee number is shown together with cumulative hours worked, or the difference between actual hours worked and standard hours.

Flexibility yielded by the micro allows the equipment to be used either on a standard hours/overtime basis or for flexible working hours. Applications will also occur in production control and other forms of industrial timekeeping.

The same card could, says the company, be used for car park entry, access control, staff restaurant debiting and similar functions by employing keyboard terminals.

Robots move ahead

IT HAS been forecast that British industry will purchase as many industrial robots during this year as at present make up the UK robot population.

The largest display of industrial robots ever held in the UK—with more than 20 different types on view—will form part of an exhibition and conference to be held at the University of Nottingham, March 27-30 next.

Robots '79 offers visitors an opportunity to witness, at first hand, the high level of flexibility and reliability industrial robots are bringing to production processes; covering applications in palletising, arc welding, plastics industry, die casting and other areas.

Attendance at the conference is limited to 250 and early registration is essential, says the British Robot Association, 35-39 High Street, Kempston, Bedford MK42 7BT (0234-853605).

● COMMUNICATION

Calling staff on the move

RADIO and inductive loop paging equipment with an exceptional number of standard facilities has been introduced by Multitone. Access 80 will provide offices, industrial plants, hospitals, hotels and other establishments with a fast, easy-to-operate and highly reliable paging service.

Two sizes are the "Midi" with a capacity of 22 pagers and the "Maxi," accommodating up to 100. A wide choice of receivers and transmitters can be supplied for use with the system, depending on user requirements. Options include one-way speech, enabling pager users to obtain a verbal message following an alert, and two-way speech (using Pagephone transceivers), which allows conversation between the called person and the operator.

Three different alert tones can be initiated from the keyboard of the controller to indicate the origin and urgency of a call. A fourth distinctive alert tone is reserved for "group alert." This facility enables teams to be instantly alerted in emergency situations, such as in hospitals to summon cardiac arrest teams and in industry to mobilize maintenance, security or fire-fighting personnel.

The new system also has a call transfer facility, which enables calls for one pager to be automatically transferred to another pager. This is particularly useful when a user is at a meeting or is absent from his workplace and wishes another to handle his calls.

With Access 80, if a pager holder leaves the site he can register his absence. The operator is thus able to inform a caller immediately if the pager holder is unavailable. In systems with telephone access, the caller hears a special tone when paging an "absent" number.

Facilities are provided to enable a pager to be called by means of remote push-buttons. There are three types of remote input: two can be used to call a pre-determined pager and the other to call a "group alert" team. Applications include nurse call systems, night bells at hotels and alarms on production and process equipment.

The control unit is for desk use and its keys have long life with 10m operations expected.

An easy-to-read LED display confirms the nature and accuracy of an entry and also provides the operator with information on absence registration and call transfer files.

Where speech is required, a built-in microphone can be supplied or an external microphone can be used, plugged into the DIN socket provided as standard. Telephone coupling is achieved by means of an optional board in the controller and an access relay unit. Up to three controllers can also be used to make up a parallel coupled Access 80 system to provide extra capacity.

Meanwhile, Multitone has announced a further £1m contract from the PO for 10,000 area-wide receivers of the RB111C type. This will bring the total number of Multitone units in the London Radiopaging service of the PO to nearly 30,000 over the next several months.

Multitone is on the eve of announcing a further big export contract—an award won against fierce international competition.

Further from Multitone Electric Company, 6-28 Underwood Street, London N1 7JT (01-253 7611).

The simple keyboard on the left can control as many as 100 pages in many different ways.

● COMPUTING

Micros show what they can do

EDUCATORS responsible for introducing microelectronics to the rising generation, personal computer enthusiasts, and users, will have an opportunity of bringing their interest up-to-date with the three-day conference and exhibition, Microsystems 79, opening this week in London.

Visitors' and delegates' interests will range over archaeology, medicine, transport, manufacture, food supply and mining, to defence, research, and many other disciplines, say the organisers of the show, which runs from January 31 to February 2, at the West Centre Hotel, Lillie Road, London, SW6.

Nerve centre in business

WEIGHING only 65 lb and designed and developed by a team headed by George Comstock, founder and former president of the Xerox printer subsidiary Diablo Systems Inc, Durango is a business accounting microcomputer for small businesses and the distributed data processing terminal market. Price is £7,500.

Durango combines into one unit 48k central processing, two random access mini-floppy drives with a total of almost 1m characters of memory, a 1920-character VDU, a keyboard and a 165-character bi-directional printer capable of a higher quality of finished print than is at present usually provided.

Accounting packages are available, and the machine should be of particular interest to DEC and DG systems houses and users because its BASIC is very similar.

The design team, which was also responsible for producing the first daisywheel printer, has reduced the number of moving parts needed for Durango to just eight—40 per cent fewer than in comparable systems. At the same time, the team cut down the number of printed circuit boards needed from the usual 15 to four. Such design advances, besides making a compact and lightweight shape possible, virtually eliminate the mechanical failure problems that cause most computer breakdowns today, and make the machine one of the most reliable to reach the market. It needs less than half the power of conventional computer systems—a capability that has permitted the inclusion of a limited stand-by power unit within the machine so that it can finish any run it is engaged on if a power failure occurs.

Computer Ancillaries, 64 High Street, Egham, Surrey. Egham 6455.

● SERVICES

Making sure heaters are safe

BECAUSE MANY households still contain air heaters which are old, unreliable, expensive to run, or simply not providing enough winter comfort, there is presently a great deal of replacement and upgrading of appliances being carried out by local authorities or private installers.

Published in order to advise and assist installers is an illustrated booklet which deals with siting of registers, air distribution planning, ducting sizes, system balancing, etc. It also includes a job survey sheet with a 17-item check list.

Free to Confederation of Registered Gas Installers members, plumbing, heating and gas industries, local authorities, surveyors, etc. from Johnson & Starley, Rothersthorpe Crescent, Northampton NN4 9JF (Northampton 62881) or at a cost of £1 for non-trade personnel.

● PACKAGING

Fills with difficult materials

TWIN-HEAD bag filling/weighing equipment capable of handling difficult-flow materials is offered by Accrapak Systems, of Risley, Warrington. Designed for valve-sack packaging duties, this machine will make its exhibition debut in March at Powtech '79.

Operation of the new machine is on the gravity principle, supplemented by power-assisted material feeding at the bagging heads. Powder supply to the heads is by way of a reciprocating feeder chute, with automatic changeover of material delivery at the pre-determined contents weight. To assist the flow of difficult powders into valve sacks, small screw feeders have been incorporated in the two bagging heads.

Weighing of valve-sack contents is achieved with a system of dead weights which can be quickly changed to deliver any desired quantity of material. For easy handling of valve sacks, the two bagging heads are equipped with a swivel base support and snap-action clamping.

Accrapak Systems, Taylor Industrial Estate, Risley, Warrington, WA3 6BL. Culcheth 4994.

Digital's desk-top drive

ACTING EITHER as an intelligent network "node" for large corporations or a stand-alone computer system for small companies, Digital Equipment's Datasystem 150 uses a dual-drive flexible disc unit for storage of up to 512,000 characters of data. The disc and LSI-II central processor are contained in a small cabinet that may be placed on top of the workstation/desk adjacent to the system's VT100 terminal.

The system runs under CTS-300 (Commercial Transaction System-300) operating software, permitting processing of business applications such as payroll, accounts payable and receivable, general ledger and inventory in high-level DIBOL (Digital Business-Oriented Language).

CTS-300 offers sequential, indexed sequential, and random file access methods. D150 programs will also run on Digital Equipment's D320 and D350 computers, the multi-terminal members of the family that are capable of supporting of up to eight terminals.

The new system uses the recently introduced VT100 video terminal as the principal data entry and access device. The VT100 displays upper and lower case characters in a 7 x 9 dot matrix in three sizes—normal, double width, and double height. Reverse video and underlining can be selected on a character-by-character basis.

These five new machines from DEC are seen by a number of market observers as that company's answer to the many "desk-top" systems now being offered by a host of entrepreneurs who can select any one of a number of powerful microcomputers as the heart of a commercial or scientific system which draws on the best peripherals available in the industry.

Digital Equipment Company, Kings Road, Reading, Berks.

LOMBARD

Sacking the Prime Minister

BY MALCOLM RUTHERFORD

THERE IS something terribly British about the present crisis. Take, for instance, the man interviewed on television the other day. He had set out very early in the morning in order to struggle to work. Asked what he had done when he finally arrived, he replied: "Nothing." Why, then, had he gone? It was, he said, the sense of satisfaction that comes from beating the system. In other words, in that memorable line from *Beyond the Fringe*, it was time *for a futile gesture.*

Touch of chic

There is, of course, the major difference of the weather, though I seem to recall that at the beginning of the famous events of May 1968 it was raining quite hard. But, that apart, one cannot escape the impression that in France they order these things better. Even if the *French do not exactly lie back* and enjoy their troubles, they at least have a sense of fun and a sense of style. The last French revolution, if such it was, had a touch of chic. In Britain, as many Labour MPs discover when they return to their constituencies at the weekend, there is not even a sense of anger—except among the professionally angry—but only of resignation.

Yet, in Britain as in France, *the dispassionate analysis must* be much the same. It is that from time to time these things happen. In a democratic society where governments—and corporations, come to that—do not, and perhaps cannot discourage rising expectations, who could expect anything else? Industrial and social troubles come in cycles.

The French seem to appreciate this much more than the British. In 1968 the chant of "*dix ans, ça suffit*" was a perfectly eloquent and even rational statement of what many French people thought. The extremists aside, it did not seem necessary to go into detail. And, in the end and by and large, change was achieved without any subsequent *loss of growth, stability or* even prestige.

There is also the question of *safety valves*. Paris is a city designed for riots, as well as for riot control. It used to be said by the municipal authorities that they could not replace the cobble-stones with something more modern because that would deprive the citizen of his right to dig them up in order to build barricades. The building of the barricade was a symbolic act. It allowed people to let off steam. London is quite different. Just try digging up the road and see what happens! Of course, you can go on marches but only in a carefully ordered fashion and even then you are likely to be regarded as some kind of outcast, if not dangerous to boot.

The French have another safety valve which is more directly political. The President *can dismiss the Prime Minister*, whether for being too successful, as eventually happened to M. Pompidou, or for not being successful enough. (The present case of M. Raymond Barre could go either way.)

One is not suggesting that it is necessary to abolish the monarchy in order to achieve this French flexibility. Yet if the British office of Prime Minister—and the occupant—were *stronger, why should not Mr.* Callaghan react to the present unrest by dismissing Mr. Healey as *Chancellor of the Exchequer* and proclaiming a new economic policy, even if it was much the same as before?

As it happens, that is a very bad example, chosen only because it is topical. Maybe it would be much better if Mr. Healey could mount some kind of Cabinet coup against Mr. Callaghan. But the general point remains: a Presidential system can be more responsive to public opinion, and if you like more democratic, because it allows more easily for a change *of team and a change of direction*. The system does not have to be presidential in name. A British Prime Minister could operate in the same way provided he were something more than *primus inter pares*. Yet that is not the British approach, and even less so now than it was before. Mr. Macmillan, for instance, had four Chancellors in seven years. The Labour Government has had only one in the last five.

Irony

Poignantly, however, one continues to miss the shouts of "*à bas Callaghan*," and not only because it is an eminently chantable slogan—the best since "*Sod off IMF.*" *It does not* even have to be translated as "Callaghan must go." For the *irony of the events of 1968* was that the French Government rode the crisis and was returned with an increased majority. But first it had to allow for the inevitable, cyclical and ultimately purgative expression of popular discontent. Any enjoyment of crises in Britain, by contrast, is merely masochistic.

No nonsense guides to drinking

WINE

BY EDMUND PENNING-ROWSELL

ALL TOO many people have an inferiority about wine. They seem to feel that they ought to know about it, as if born with silver tastevins in their mouths.

Why, in view of the immense variety of wines and the complexities involved, this should be so is not easy to discern. All of us should recognise our comparative ignorance or limited knowledge; ask a Burgundian about some detail of Bordeaux wines and see what sort of answer you are likely to receive! But we do not need to feel self-conscious about it.

I suspect that this inferiority has something to do with the fact that until fairly recently here in Britain wine was only drunk to any extent if not by the great and the good then by the grand and the rich. The classic example of this was that *100 years ago all the first-growth* claret exported from Bordeaux was said to find its way to the cellars of members of the British peerage. This was not, of course, exactly true, though it is noteworthy that most of the old cellars of leading châteaux wines "excavated" by Christie's in the past 10 years or so have lain beneath baronial or at least baronetial halls.

So wine knowledge became a sort of shibboleth, a passport to social acceptance, and this was accentuated by such snobbish *accretions as the "right" wine* for certain foods, the "right" glasses, and the passing of the port decanter in a clock-wise direction—a quaint convention.

A natural reaction to all this is to treat the whole matter as a lot of nonsense, and all the talk — and writing — about wine merely as a conspiracy of wine-snobs, whose main concern is to air their superiority. One effect of *this proud ignorance* is that a great deal of very inferior wine is sold—all too easily. I am often surprised at the sheer non-agreeability of some well-known brands.

As to the wine-snobs, in my experience they are much rarer than commonly alleged, but it cannot be denied that those *interested in wine* do like to talk about it, no doubt to the boredom of others. Also in general company, there is nothing more embarrassing than being asked to guess the wine. None dislikes this more than a wine merchant, for he is quite erroneously expected always to get it right. One of the most distinguished *wine tasters in Britain* today when asked if he ever mistook claret for burgundy replied, "Not since lunch-time." Even for the professionals the rating of wine is much more difficult than supposed, and I find that most wine enthusiasts are as ready to admit their ignorance and mistakes as to demonstrate their expertise.

So tyros should cheer up—but not give up. For just as *wine is more widely drunk* in Britain than ever before, so there is an amount of information available about wine unheard of even a couple of generations ago. When Professor George Saintsbury in 1920 published his rather scrappy *Notes on a Cellar Book*, it was regarded as an extraordinary phenomenon. Indeed, coming from a distinguished academic, it was a pioneer work, and it has just been re-issued in an attractive edition, prefaced by Harry Yoxall, former chairman of the Wine and Food Society (Macmillan, £7.50).

Previously, the few books published on wine came almost entirely from wine merchants, such as Cyrus Redding in 1833 to André Simon throughout the first 60 years of this century. *It is not derogatory to the* professionals, however, to say that in the past 25 years much of the best writing on wine has been done by outsiders, including Raymond Postgate, Cyril Ray, and Hugh Johnson. Then as public interest and knowledge has grown, the professionals have come back with writings on *specialised subjects* requiring inside knowledge. The successful *Decanter Magazine* (16, Black Friars Lane, London, E.C.4) is required reading for all wine enthusiasts, while the more recently started *Drinkers' Digest* (P.O. Box 63, Quick Street, London N.1) is a cheerfully written *monthly guide*, particularly useful for those exposed to the perils of the supermarket shelves.

Traditional merchants have been slower to appreciate that it is no longer sufficient to print an unannotated list, as in the days when their restricted clientele would either be familiar with the wines offered or would call in for advice—and a glass of sherry with one of *the partners*. Today most wine is bought off the shelf in an off licence or the *chain store* or by mail-order. True, vintage notes are commonly provided in lists, but that seems inadequate to help a customer choose from, say a list of 43 clarets of the 1970 vintage in the mouth-watering catalogue of *Averys of Bristol*, or the 36 1971s from the severely traditional Berry Bros. *list*, obviously designed for the vest pocket—though even in St. James's not everyone wears a waistcoat these days. (It is fair to add that Berrys also produce a well-turned out half-yearly periodical that is always of interest.)

On the other hand, the spread of wine knowledge has been much enhanced by the number of small, independent wine merchants that have sprung up in the past decade and who help their customers either by providing more information about their wares or by specialising in certain types or countries.

One of the first of these was Yapp Bros. of Mere, Wiltshire, which has concentrated on the Loire and Rhone, and issues informative lists. Another, less *specialised* but with helpful, duplicated lists orientated towards claret and German wines, is Henry Townsend of Coleshill, Amersham. An exceptionally well annotated list is that of Hicks and Don (Coulston, Westbury, Wiltshire), run by two Masters of Wine. They are the agents for the excellent, and in Britain under-appreciated champagne, Joseph Perrier, and have a scheme by which fathers with daughters who are potential debutantes may reserve the wine in Champagne, so that the former will at least have some to drink when the latter "come out."

A Norfolk vintner of some five years' standing who specialises in "single-parish" beaujolais is Roger Harris of Easton Longville. He has a well written-up list from Moulin-a-Vent to St. Amour.

Spanish table wines deserve more attention than they have yet received here. Two firms specialising in them are Arriba Kettle of St. Philips Place, Birmingham and Laymont and Shaw of Constantine, Falmouth. The first started business only a year ago, but has an excellent list of Riojas and Panadès wines from Catalonia. Laymont and Shaw surely have an unrivalled collection of Spanish wines, a big list of Riojas, still and sparkling Panades, and Vega Sicilia, *Spain's chief claimant* to a great wine. Also in Cornwall is another very new firm, Parkinson Wines of Truro, with a select list, generously accompanied by comments, recipes and items of small kitchen equipment.

Most of these new firms concentrate on wines from the less fashionable, less expensive wine regions, which should have a good future in view of rising prices in the leading areas and of the conservative policies of the big groups since the slump years that found them so overstocked. These small independent country firms deserve support, as do the larger survivors of the wave of take-overs throughout the provinces. The lists of such firms as Adnams of Southwold, Tanners of Shrewsbury, Lay and Wheeler of Colchester and Youdell of Kendal are all well worth a thorough examination.

Manchester bids for State aid to expand City Art Gallery

PLANS TO spend £10m on expanding the City Art Gallery have been taken off the shelf by Manchester City Council, and will be put to the Government. This follows the report on aid to provincial museums published by the Drew Committee yesterday.

The city already possesses an outstanding collection of works of art, much of which has to be kept in storage because of *lack of space*. *Plans to increase* display facilities have been frustrated by Government *restrictions on council spending*.

The council's Labour leadership welcomed the Drew Committee report. It said it would be willing to drop its present plan for a limited extension costing £2m, and raise instead a total of £5m towards the cost of its original £10m scheme. This would be conditional on the Government meeting half the cost of such a project, as the report recommends.

Mr. Norman Morris, leader of the council, said the report's recommendations that a limited number of outstanding museums should be designated for direct Government aid provided a clear way for cities such as Manchester to solve their problems.

The report, drawn up by a committee under Sir Arthur Drew, urges that designated museums in seven cities should receive 50 per cent Government support for major capital works, and further support towards the extra running *costs of such* developments.

The 50 per cent sum which *the council owning* a designated museum would have to bear should be treated as key sector for borrowing purposes, and not locally determined sector.

Mr. Morris said: "There is at present no additional Government aid to support the cities in sustaining art galleries and museums used by the inhabitants of whole regions — in Manchester's case, the whole of the north-west of England and beyond.

"In London, the costs of national galleries and museums are borne by the taxpayer. In Manchester, the whole of the cost falls on the ratepayers of the city."

Drew Report, Page 6

New Chancellor for Stirling

SIR MONTY FINNISTON, the former chairman of the British Steel Corporation, will be installed as Chancellor of the University of Stirling at a graduation ceremony to be held at the Albert Hall, Stirling, on February 23.

At the same ceremony, Sir Monty, together with Sir George Edwards, the aircraft designer; Sir Campbell Fraser, Chairman of Dunlop; and Mr. Harold Pinter, the playwright, will be conferred with the honorary degree of Doctor of the University.

TV/Radio

† Indicates programme in black and white

BBC 1

9.10 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Playboard. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Star Turn. 5.05 *John Craven's Newsround*. 5.10 Grange Hill.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.30 The Osmonds (London and South-East only).
7.20 Blake's Seven.
8.10 Dallas.
9.00 News.
9.25 Play for Today.
10.40 Tonight.
11.20 On the Rocks.
11.45 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 6.50-7.20 Songs of Scotland. *10.40-11.20 Tuesday* Night. 11.45 News and Weather for Scotland.

Wales—10.05-10.25 am and 2.32-2.37 pm I Ysgolion. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.10 Pobol Y Cwm. 7.40-8.10 A Question of Sport. 11.20 Dechrau Sfarad. 11.45 News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.50-7.20 Make Mine Country. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-*7.20 East (Norwich) All Aboard* the Flying Thesis; Midlands (Birmingham) Look! Hear!; North (Leeds) The Object in Question: North East (Newcastle) Looks Natural; North West (Manchester) A Grand Sing; South (Southampton) Hey Look ... That's Me!; South West (Plymouth) Peninsula; West *(Bristol) Sports Show.*

BBC 2

10.30 am Worktalk.
11.00 Play School.
2.30 pm The Business World.
3.00 Crime Writers.
3.30 The Living City.
4.00 Conversazioni.
5.00 Open University.
5.35 News On 2 Headlines.
†5.40 Charlie Chaplin in "The Rink."
6.10 The Fishing Race.
6.20 In The Making.
6.30 The Great Egg Race.
7.35 The Master Game.
8.05 Mid-Evening News.
8.10 Life On Earth.
9.05 Call My Bluff.
9.35 Man Alive.
10.20 George Hamilton IV and Friends.
11.15 Late News.
11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 Issi Noho. 12.10 pm Pipkins. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Tuesday Matinee: "The Iron Maiden." *4.20 Michael Bentine's Potty* Time. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Give Us a Clue.
7.30 Charlie's Angels.
8.30 Room Service.
9.00 Strangers.
10.00 News.
10.30 How Can Britain Work?
11.15 The Evening Standard Drama Awards.
12.25 am Close: A painting by Breughel with Renaissance Music.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 Raffles. 3.20 Heart to Heart. 3.50 The Entertainers—Tom Paxton. 6.00 About Anglia. 7.00 Bygones. 12.15 am Police Surgeon. 12.45 So You're Lonely.

ATV

1.20 pm ATV Newsdesk. 2.25 The Tuesday movie: "Deadlier Than The Male." 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdale Farm. 12.15 am Something Different.

BORDER

†1.20 pm Border News. 2.00 Houseparty. *2.25 Raffles. 3.20 Bygones.* 3.50 Untamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 12.15 am Border News *Summary.*

CHANNEL

1.18 pm Channel lunchtime news and What's On Where. 2.25 Raffles! 3.20 *The Practice*. *3.50 You're Only Young* Twice. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 10.2? Channel late news. 12.15 am *Commentaires et previsions meteorologiques.*

GRAMPIAN

9.25 am First Thing. 1.20 pm *Grampian news headlines.* 2.00 The regions report. 2.25 Tuesday matinee: "The Impossible Years. 5.15 Mr. and Mrs. 6.00 Grampian Today. 6.05 Out of Town. 11.16 Special Edition. 11.25 Evening Standard Drama Awards. 12.05 am Reflections. 12.10 Grampian Late Night Headlines.

GRANADA

1.20 pm This is your right. 2.25 Raffles. 3.20 Heart to heart. 3.50 You're only young twice. 5.10 What's new. 5.15 Crossroads. 6.00 Granada reports. 6.30 Emmerdale Farm. 7.00 University Challenge.

HTV

1.20 pm Report West headlines. 1.25 Report Wales headlines. 2.00 The regions report. 2.30 The Tuesday matinee: "A Matter Of Life And Death." 5.15 Mr. Mergatroyd... 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Country Comes West. 7.00 Mr. and Mrs.

HTV Cymru/Wales—As HTV General *Service except: 1.20-1.25 pm Penawdau* Newyddion y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30-11.15 Bywyd.

HTV West—As HTV General Service *except: 1.20-1.30 pm Report West Head*lines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 2.25 Family. 3.20 Regions report. 3.50 Out of Town. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem. 7.00 Emmerdale Farm.

SOUTHERN

1.20 pm Southern news. 2.00 House*party. 2.25 Raffles. 3.20 Heart to* heart. 3.50 The Rolf Harris Show. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day, including Southsport *6.45 Dick Barton—Special Agent.* 7.00 Emmerdale Farm. 12.15 am Southern News Extra.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 Raffles. 3.20 Heart to Heart. 3.50 *Batley's Bird. 5.15 You Can Make It.* 6.00 Northern Life. 7.00 Emmerdale Farm. 12.00 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.00 Regions report. 2.30 Tuesday matinee: "A Matter Of Life And Death." 4.18 Ulster news headlines. 5.15 Cartoon. 5.20 Crossroads. 6.00 Good evening Ulster. 7.00 Emmerdale Farm. 12.15 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward news headlines. 2.25 Raffles. 3.20 Heart to Heart. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. *6.00 Westward Diary. 7.00 Treasure* Hunt. 10.28 Westward late news. 12.15 am Faith for Life. 12.20 West Country weather, Shipping forecast.

YORKSHIRE

1.20 pm Calendar news. 2.25 Raffles. 3.20 Calendar Tuesday. 3.50 The Entertainers—The Pasadena Roof Orchestra. 5.15 Doctor On The Go. *6.00 Calendar* (Emley Moor and Belmont editions). 7.00 Emmerdale Farm.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	BBC Radio London:	1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	Capital Radio:	1548kHz, 194m & 95.8vhf
3	1215kHz/247m & 90-92.5vhf stereo	London Broadcasting:	1151kHz, 261m & 97.3vhf
4	200kHz/1500m & 92-95vhf		

RADIO 1

(s) Stereophonic broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 The Moody Blues Story. 8.00 Andy Peebles. 9.50 Newsbeat. 10.10 John Peel (s). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 a.m. News Summary. 5.02 David Allen (s). 7.32 Terry Wogan (s) including 8.27 Racing Bulletin and 8.45 *Pause for Thought.* 10.02 Jimmy Young (s). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (s). 2.30 David Hamilton (s). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (s). 6.45 Sports Desk. 7.02 On the third beat (s). 7.30 Folk 79 (s). 8.02 Tuesday Night is Gala Night (s). 9.02 Ian Wallace (s). 9.55 Sports *Desk. 10.02 Laughter in the air.* 11.02 Brian Matthew presents Round Midnight, including 12.00 News. 2.02-5.00 am You and the night and the music with Ruth Cubbin (s), including 2.30 Cricket: Fifth Test (report).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 *Overture* (s). 8.00 News. 8.05 Morning Concert (s). 9.00 News. 9.05 This week's composer: Debussy (s). 10.00 Now and Then (s). 11.20 Virgil Thomson and Elisabeth Lutyens song recital (s). 12.15 pm Lunchtime Prom, part 1 (s). 1.00 News. 1.05 The Arts Worldwide. 1.20 Lunchtime Prom, part 2 (s). 2.05 *Music at St. George's*, Bristol (s). 3.05 Quintet of Winds (s). 3.50 Theme and Variations (s). 4.45 Jazz Today: a tribute to Charles Mingus (s). 5.45 Homeward Bound (s). 6.30 News. 6.35 At Home (s). 7.30 BBC Manchester Master Concert: Strauss, Mozart (s). 8.15 Beyond the Pale (talk by Fr. Derek Holmes). 8.35 Master Concert, part 2: Mahler (s). 9.35 One Hundred and Eight Heroes (s). 10.15 Chinese Classical music (s). 10.45 Jeremy Bentham's Brave New England (talk by Pedro Schwartz). 11.15 *Chopin piano recital* (s). 11.55 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. Magazine, including 6.45 Prayer for the day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the day. 8.35 Yesterday in Parliament. *9.00 News. 9.05 Tuesday Call.* 10.00 News. 10.05 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-minute Theatre. 11.30 The *Haunted Archives of the BBC.* 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert *Island Discs.* 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.55 Fame is the Spur (s). 4.30 Announcements. 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme *news.* 6.00 The Six o'Clock News. 6.30 Just a Minute (s). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 The Wreck of the Royal Charter at Moelfre in 1859. 8.45 Man or Plant? 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 You've Got to be Joking (s). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All that Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time from the House of Commons. From 1.05—As Radio 2.

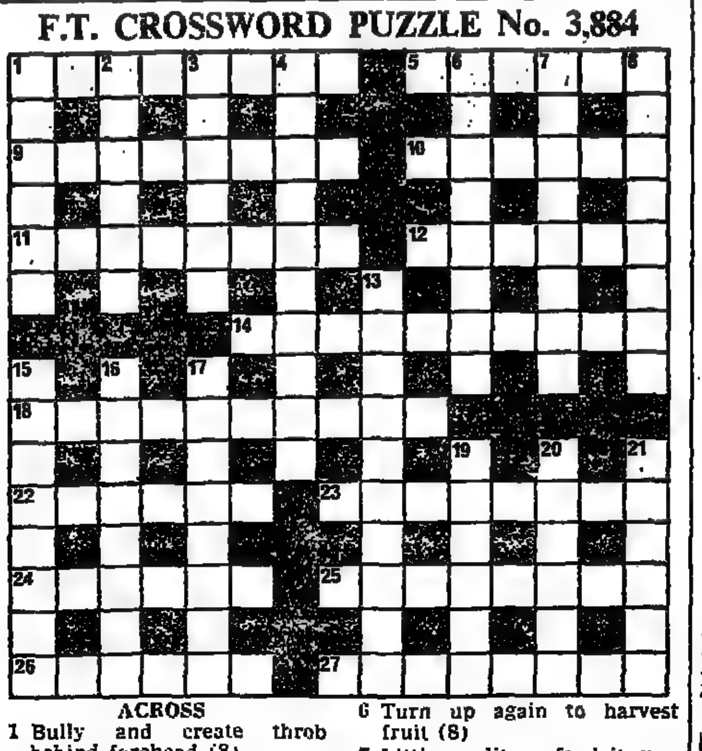
London Broadcasting

6.00 am Morning Music. 6.00 AM: *news, information, travel, sport,* ... Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Mike Smith's Breakfast Show (s). 9.00 Michael Aspel (s). 12.00 Dave Cash (s). 3.00 pm Roger Scott (s). 7.00 London Today (s). 7.30 Adrian Love's Open Line (s). 9.00 *Your Mother Wouldn't Like It*—with *Nicky Horne* (s). 11.00 Tony Myatt's Late Show (s). 2.00 am Duncan Johnson's Night Flight (s).

F.T. CROSSWORD PUZZLE No. 3,884



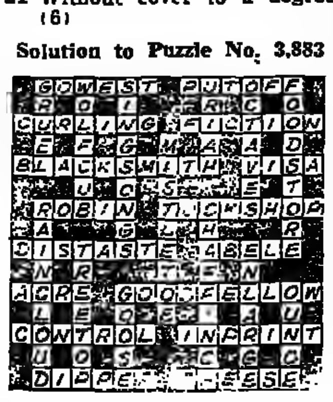
ACROSS

1 Bully and create throb behind forehead (8)
5 Pick-me-up for people in railways (6)
9 Where prints are made in development area (4-4)
10 Realise it could be to cheat (4, 2)
11 Contrive to make motor stutter (8)
12 Seasonal jump (6)
14 Joined bird and followed (10)
18 Record how old we are and *dishearten* (10)
22 Held forth ring to trade assembly (6)
23 Where journalists may be seen making crowd fight (5-3)
24 Being a member of team from confidential source (6)
25 To fight for a cause I fired with ship's officer around (8)
26 Sharpening hothead on mixed gin (6)
27 Accommodation for eastern people under canvas (8)

DOWN

1 Animal to pester (6)
2 Love a craze for rowing (6)
3 Rank ridge on your head (6)
4 Without deception, like the chairman (5-5)
6 Turn up again to harvest fruit (8)
7 Little credit on food it may be believed (8)
8 Turncoat giving exploded grenade to Oriental (8)
13 Fishing tackle seen above or below stave (6-4)
15 Notice my French is initially horrible and reprimand (8)
16 Killer taking two fools in (8)
17 Attitude I assume? God! (8)
19 Strive for higher things, e.g. *a steeple* (6)
20 Burning a mark on a tree (6)
21 Without cover to a degree (6)

Solution to Puzzle No. 3,883



THE ARTS

Ronnie Scott's

Carrie Smith

Singer Carrie Smith is a striking, statuesque Negress from Georgia who, in less than three years, has made a formidable impact on the jazz world, especially in Europe where her warm, powerful voice and happy personality have fixed the seal of success on many festivals and concerts.

Her roots are deep in Gospel music and the blues but, as she is proving during her present stay at Ronnie Scott's (she is there until Saturday), she can invest a melancholy ballad such as "Ill Wind" with all the poignancy Billie Holiday gave it. But it's in blues associated with Bessie Smith that Carrie Smith stirs the heart and soul. Her voice is full and rich. She has a wide range and the low down, dirty flavour she gives Bessie Smith numbers such as "Empty Bed Blues" and "You've been a good ole wagon," is unmatched by practically any other living female singer.

Last Friday it was clearly hard work singing even the blues for she was faced by an audience of unquenchable and monumental boorishness which was invited by Carrie Smith at one point "to talk a little louder." In the circumstances she was doubtless grateful for the stalwart assistance of British trumpeter/flugel-hornist Johny McLeavy sitting in for the evening with the Brian Lemon trio and filling in the spaces and playing obbligatos behind her with a well-measured, pointed touch.

KEVIN HENRIQUES

Hayward Gallery

Hubert Dalwood

by WILLIAM PACKER

The Memorial Show is not usually a cheerful affair and especially not if its subject is the work of an old friend; and when his death was sudden and untimely, his affairs left encumbered and confused, and the show itself rather more than a little overdue, we might well be excused a certain uneasiness at its eventual approach. And when the opening rites themselves, complete with the funeral baked meats, were blessed not only by a national railway strike, but also by as thick a pall of snow as any can remember seeing in the streets of London, I must confess that a little voice at the back of my mind did whisper the thought that Nibs himself might just be trying to tell us something.

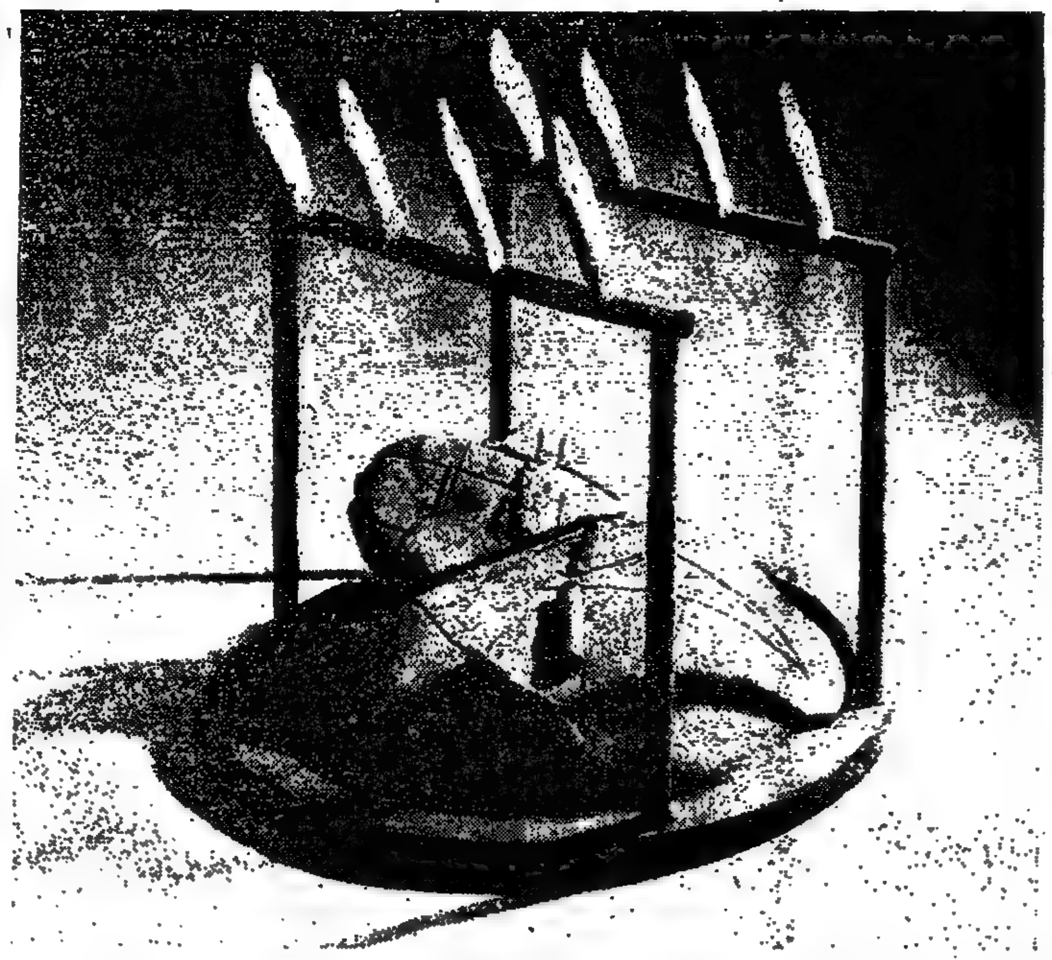
His little joke with the weather notwithstanding, however, and all misgiving happily put aside, the event proves to be much more a celebration than a wake: and perhaps that delay in marking his life's work was the right thing after all. Hubert Dalwood died in the late autumn of 1976 at the age of 52, at a time in his life when those close to him knew that he was working better than ever. Now, after that decent interval, we can see it all clearly, and calmly, and see it whole.

The show at the Hayward (until March 4, and then on to Edinburgh, Leeds, Rochdale and Newport) is small but comprehensive, well set out and extremely well chosen; and if few of the larger pieces are shown, there are at least a number of maquettes, plans and photographs of some major projects. The career is followed, phase by phase, and the inherent unity of the work, the demonstrable consistency of pre-occupied and sensibility, is made strikingly obvious. Dalwood was always emphatically his own man, but intelligently responsive, nevertheless, to the current activity among his peers, and the early work sets him firmly among the figurative sculptors of the 'fifties, the images lumpen and freely modelled, active, and often cheerfully theatrical. But soon the figures fall away, to be replaced by a human presence signified somewhat more ambiguously, by association and suggestion, his totems and votive objects shot through with magic, numinous, sacerdotal virtue.

And the aura of the temple and the sacred grove continues to haunt the work, though it grows ever cooler and subtler in its play on the imagination, and much more concerned first by a sense of architecture, and increasingly by a most palpable sense of place. The small, modelled houses of the late 'fifties turn, over the following decade, to shining towers and altars, that in their turn open out into Arbors, Groves and Gardens, gently surrealistic in the play they make on images of trees and clouds, and the experience of landscape. The reference is wide, from Mexico to Japan and back to Europe, to the city squares of Giacometti.

The last works of all, the small group of landscapes in terrosa ferrata, that looks for all the world like terra-cotta, are exceptionally beautiful, full of happy, witty invention, and at the last an easy and sure command of image and material. And we realise that Dalwood was a romantic, of a kind peculiar to himself perhaps, wayward and idiosyncratic, but a romantic all the same. Norbert Lynton, in his sensitive and perceptive appreciation in the catalogue, jibs rather at the term, feeling it to be over-specific and somewhat prejudicial; and yet, in the end, he too must accept it reluctantly, *faute de mieux*. We may respect the Professor's scruples without sharing them entirely: he is happier with high-spirited for a general epithet, which makes excellent sense.

A certain sadness pervades the show, however, which is not at all a quality of the work itself. Rather it is to do with the circumstances of the artist, and the certain knowledge we now enjoy that we, as a society, wasted Nibs Dalwood's considerable gifts. He died in debt, with many of his larger works unrealised or broken up, the kind of commission he sought that would allow him to work directly with the landscape, in the manner rather of the sculptor-gardeners of the east, coming to him at last, and too late, only from abroad. One of the very best artists of his generation, a man who could have civilised and enlivened our cities, and fired our imaginations, has no monument at home. We pay our respects, as we should, and we miss him; but it is too late.



"Landscape IV" by Hubert Dalwood

Festival Hall

Barenboim

by DOMINIC GILL

Barenboim's is a massive, maddening genius. His gifts are large and impressive enough to make the most tentative reservation seem petty, ungenerous. He is good—sensationally good—at what he does; and yet so high is our expectations of his talent that it is rare these days to leave a Barenboim concert without the sneaking, ungenerous suspicion that he could have done better. His piano recital on Friday evening was by all common standards a splendidly absorbing affair. But by the common standards we demand of him—and unfair as they may seem, they are actually the highest compliment—the recital lacked a certain amount of close focus, finesse and careful working. Even without these qualities it was a spectacular success; with them, it might have been sublime.

Barenboim is a master of piano sonority: the six Schubert *Moments musicaux* with which he opened his programme were each of them magical studies in balance and voicing, exquisitely poised. But some of the more intimate and delicate gestures escaped him nonetheless, tiny blurred details of an otherwise commanding performance—the rhythms of the "trio" of No. 4, oddly deliberate, uneasy; a blandness under the surface smoothness of No. 2; the last *Moment musical*, one of the most tragic of all Schubert's piano pieces, in Barenboim's hands no more than an elegant serenade, no heartache in its anguished suspensions.

It was this most intimate Schubertian accent that one also missed in parts of the C minor sonata: in the adagio especially, delivered with marvellous facility, and in its own way with the greatest refinement, but without mystery or melancholy — almost as if Barenboim were impatient with a fundamental aspect of the music, an essential unsmiling Schubertian wistfulness, wherever it appeared. But there were irresistible things in the performance too: a big dramatic impetus, bright and unflagging; contrapuntal filigree of the finest working; and everywhere a powerful sense of proportion and right emphasis.

We have heard surprisingly little of Liszt's music from Barenboim. But his performance of the B minor sonata, to which he devoted the whole of his second half, was vivid confirmation of my long-held suspicion that he could be a very great Lisztian pianist indeed. His view of the piece was grand and broadly lyrical—every section as broad indeed as it could be without seeming over-stretched, hugely sonorous, and alive with brilliant energy. Every measure spoke with fire and fervour; there was not, anywhere, a moment's hesitation—the music grew to its climax, and subsided, sustained superbly in a single span.

Three quibbles: it was disappointing to hear Barenboim turn the famous quaver triplet motif into one quaver and two semi-quavers—a common cheat unworthy of the rest of the performance. There was a tendency, mildly unbalancing, always to allow the right hand to dictate the phrasing, even where the left hand should—on the last page of the sonata the *sotto voce* left-hand ostinato had to wait around while the right hand tried to "phrase" the accompanying chords. And there were more different tempos in the first ten bars of the *fugato* than even Schnabel could have dreamed up—isn't a *tempo giusto* much more effective? But quibbles they are. It was, in all, a magnificent account, capped by a pair of sizzling Liszt encores: not the tidiest performance of *Au bord d'une source* by any means, but one of the most exhilarating and passionately proposed that one has heard for many years; and a *Rigoletto paraphrase* that had us on the edge of our seats, superb in its confidence, dramatic timing, and technical ease.

New Ayckbourn play

Joking Apart, Alan Ayckbourn's latest comedy, starring Alison Steadman and Christopher Cazenove, will open at the Globe Theatre on March 7.

Ayckbourn's comedy *Ten Times Table* closes at the Globe on March 3 after a year's run.

Joe Brown

Astoria

Oh Boy!

by ANTONY THORNCROFT

Over 20 years ago now Jack Good carved his small but indelible niche in the framework of pop by launching on an unprepared world *Oh Boy!*, a television show which in its pace, rapid cross-cutting of camera, and aggression was a complete breakthrough. Indeed it could still give *Top of the Pops* a couple of lengths and overtake it.

Now Jack Good has returned from his American retreat to stage *Oh Boy!* at the Astoria for three successive Sundays with the chance of a more permanent exposure. Some of the artists of the early days are on stage, along with some fresh faces, and most of the cast of *Elvis*, which occupies the Astoria for the rest of the week. The result is an evening of unabashed nostalgia, guaranteed to brighten the eye and quicken the pace of anyone who bought thick crepe shoes or a starched petticoat. It also seemed to be going down well with their children.

After an attempt at scene setting—a studio producer cueing the artists in for the recording of the *Oh Boy!* transimssion on January 14, 1959—it is non-stop music—over 80 songs in two hours. Somehow the artists manage to be at the right mike at the right time and usually the spotlight reaches them eventually. But this is more of a song than a singer show—you just lie back and let the sounds, mostly still familiar, occasionally long forgotten, waft over you.

They are all there and with a scrupulous attention to the lore of the period few attempts are made to include good songs written after 1959. Even so a haul which includes the big hits of Elvis, the Everlies, Gene Vincent, Little Richard and the rest is virtually unbeatable. And the singers who managed to stay alive (the back projection was constantly flashing images of the many who failed to grow old) have survived as vigorously as the songs. Here is Joe Brown with his (older) Brothers, still grinning away like a maniac; Alvin Stardust, stylishly sinister, and Les Gray younger, but hardly slimmer. While this trio just enjoys itself, the aspiring Shakin' Stevens still looks as if he means it, and there is some outrageous scene stealing from Richard Piper, as he impersonates in turn Wee Willie Harris and Little Richard.

As suits the late '50s the girls are kept well in their place, allowed on stage to flounce a bit, and given the odd chorus, but this is still a man's world, idyllically innocent, safe and certain and with youthful joy flowing through the music. It might be as fragile as consuming a meringue but is just as pleasant, and when the audience links its enthusiasm to that of the cast a lively experience is guaranteeed.

Stoppard wins Shakespeare Prize

The Anglo-German Jury of the F.V.S. Foundation of Hamburg has announced the award of the Shakespeare Prize for 1979 to Tom Stoppard.

Stoppard, who was born in Czechoslovakia and educated at Pocklington, Yorkshire, has two plays running in the West End, *Dirty Linen* and *Night and Day*. He worked for a short time as a journalist in Bristol.

The Shakespeare Prize is one of the most valuable and distinguished international cultural prizes.

In addition to the honour of the prize, there is a cash award of DM 25,000 (approximately £6,750) and a scholarship of DM 7,200 (approximately £1,950) for one year's study at a university in the German Federal Republic. The prize-winner has the right to select the scholar concerned.

Elizabeth Hall

Mozart's birthday

by DAVID MURRAY

Mozart's birthday is also Nina Milkina's, and she was thus a doubly suitable partner for Sir Clifford Curzon in the music for two pianists which occupied half of Saturday's concert. The occasion was not merely commemorative, but charitable, in aid of the Cystic Fibrosis Research Trust. The rest of the programme consisted of the 33rd and 38th Symphonies, with John Eliot Gardiner conducting the Monteverdi Orchestra (with that seasoned Mozartean Emanuel Hurwitz as guest leader). The latter Symphony, the "Prague," struck me as the greatest success of the evening: there is a demonic current in the work which the conductor kept forcefully in the centre—perceptible even in an uncommonly deliberate Andante. He pressed his players hard and excitingly in the final Presto, with a resultant urgency that took the music far away from any lightweight Rondo-model.

The B-Flat Symphony that began the concert had much of the same sharp, nervy quality, though it was a little less tidily executed. Again Gardiner secured extremely articulate playing, especially from his violins; and he has a sense of the wind band as a separate entity, not mere re-enforcement for the strings, which made itself felt strikingly and often, both here and in the "Prague" Symphony. Many Mozartean touches in the scoring surfaced vividly. The sturdy orchestral backing given to the pianists in the Concerto K.365 had a different and rounder sound, befitting the amiable view of the work they took. If Curzon was quite evidently the senior partner he sustained the role discreetly, without prejudice to the even-handed balance Mozart contrived between the piano parts. He and Miss Milkina tripped elegantly through the piece, emphasising its Rococo elaboration rather than its robust humours.

In the splendid D major Sonata the pianists were delicate to a fault. The Ellegro con spirito and the Andante (rather an Adagio here, nocturnal and wistful) were irresistibly charming as always, but the breathless pianissimo lavished on the Allegro molto was not to be believed: it sounded disconcertingly like Mendelssohn, and very much at odds with the texture of the writing. There was no lack of lacy glitter, but energetic brilliance is more likely what was expected.

Dome, Brighton

Brighton Philharmonic

Not merely a new work but the manner of presenting it leant a special interest to Sunday's concert in the regular series of the Brighton Philharmonic Orchestra. The work, commissioned with public funds from South East Arts, was a *Sinfonia* by Sebastian Forbes (born 1941), who teaches in the music department of the neighbouring University of Sussex.

The conductor was John Carewe, to whom the piece is dedicated. As the orchestra's musical director, he must be gratified that the new music did not perform its usual disincentive function of turning away patrons. Thanks no doubt to Bach, Elgar, and the radiant reputation of Kyung-Wha Chung, the Dome was full.

Before the new work, Mr. Carewe gave the audience a schoolmasterly pep talk, not only illustrating the piece by brief orchestral extracts, but defending the whole necessity to play modern works and inviting the audience at least to give the piece some definite reaction—even shouting "Bravo" or "Rubbish" if so inclined.

Although Mr. Carewe is a devoted champion of new music, his defensive and indeed pugnacious stance left me slightly uneasy, particularly after someone *did* shout "Boring!" as soon as the music ended. But a further test is necessary. Second performances being even more important than firsts, it becomes Mr. Carewe's duty to insist on programming the piece next season as well.

Mr. Forbes's piece was, in fact, shorter (13 minutes) than the conductor's introduction. It shows a resourceful working-out of varied but rather elusive themes. I found myself moderately interested, no more. But a further performance, with more rehearsal, would probably bring out contrasts of dynamics and articulation that would strengthen the whole structure as the audience receives it.

The Brighton Philharmonic concerts depend mainly on players from London and usually (not on this occasion) on a single researsal. Reasonably high standards, but not the highest, were to be expected and were displayed. Mr. Carewe had opened the programme with Bach's *Suite No. 3* in a curiously old-fashioned style—by which I mean not Bach's style but that of one or two generations ago, lacking a keyboard continuo instrument, deficient in double-dotting, and rather dull as well, with some disturbing smudges from the trumpets.

Dullness, however, is a word utterly absent from Kyung-Wha Chung's musical vocabulary: Her masterly playing of Elgar's Violin Concerto was heroic and tender by turns, exactly as it should be. As a preparation for her initial, very deliberate entry, Mr. Carewe's pace in the orchestral opening was a shade too fast, but afterwards it settled into a gripping performance.

ARTHUR JACOBS

Radio 3/Duisburg

Two Angels in Babylon

The first performance of Rudolf Kelterborn's third opera, *Ein Engel kommt nach Babylon*, which took place at Zurich in June 1977, was re-broadcast on BBC Radio 3 last Thursday. Having recently heard the work at Duisburg I tried to discover how much of the opera's undoubted success in the theatre depends on the music, and how much on Georg Reinhardt's imaginative production for the Deutsche Oper am Rhein. Friedrich Dürrenmatt's text, adapted by the author from his play, certainly cries out for music, although one of the chief characters, the beggar Akki, speaks more often than he sings. This third dimension make it even more difficult to apportion praise or responsibility.

The Angel descends to earth dressed as a beggar to give the beautiful young girl Kurrubi, a "blessing from heaven," to the humblest and poorest of men. According to the Angel's information Akki, last remaining beggar in Babylon, where beggars have been proscribed by King Nebuchadnezzar, is the man. But the King himself, disguised as a beggar from Nineveh, proves so incompetent at the trade that he is awarded Kurrubi. Unfortunately she loves him only as a beggar, while he loves her in the person of Nebuchadnezzar. Kurrubi, a liability despite her beauty, is given to the Hangman: that post is now filled by Akki, who has exchanged occupations with the former holder.

Kelterborn's score, always dramatically apt, is translucent in texture, especially for the galactic music associated with the Angel, a high tenor too intoxicated with the wonder of the earth to worry about poor Kurrubi, a being who "has danced beside God wrapped in the white clouds of the Andromeda nebulae." Ursula Reinhard-Kiss, who sings Kurrubi in both productions, convincingly expresses her initial bewilderment and her love for the beggar from Nineveh, which is transferred to Akki once she discovers the former's identity. On the radio Wolfgang Reichmann's dark-coloured bass gives little sense of irony to Akki: Peter van der Bilt at Duisburg matches a lighter tone to a less serious reading of the part.

Both William Reeder (Zürich) and Nigel Douglas (Duisburg) sing the Angel's high-lying music with appropriate fluency and rapture. Nebuchadnezzar is forcefully declaimed by baritones Roland Herrmann and E. Lee Davis while Nimrod, ex-king of Babylon and now Nebuchadnezzar's slave, receives similar treatment from tenors Jaroslav Kachel and Elliot Palay. Ferdinand Leitner, conducting chorus and orchestra of the Zürich Opera House, and Günther Wich, in charge of the Deutsche Oper chorus and the Duisberg Symphony, cede little to each other in stylishness or perception. The broadcast performance, then, is thoroughly enjoyable: but does not part of that enjoyment derive from a mental picture of Heinrich Wendel's Babylonian sky-scrapers, the Angel's cat-walk spiralling crazily up into the flies?

ELIZABETH FORBES

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Contracts for service

THE LATEST phase in our winter labour disorders raises issues which, as Mrs. Thatcher has already noted, are radically different from those disputes of recent weeks.

The disputes suggest conclusions which are uncomfortable, but must be faced. In the present state of discipline among "organised" labour, incomes policies are only likely to be tolerated in any effective form during what is perceived as a national crisis. Even a vague policy which is declared unilaterally is seen simply as a challenge, and may provoke extra disruption.

The real issue is discipline at least as much as inflation. Where the unions are not prepared to discipline their more disorderly members—and some do try to do so—we may have to face a long struggle of attrition, while market forces, and perhaps some legal or social security changes take effect. Public opinion is readier than before for such a struggle.

Simply intolerable

However, there are situations in which the cost of facing such disorders, in human as well as economic terms, is simply intolerable. These are the services which are essential to the life of the economy, or to reasonably civilised life—law and order, the fire service, emergency health services, water and sewerage, and perhaps a few more.

Here both the Opposition and the Government are beginning to question whether normal industrial relations, including the right to strike, can be continued in these services in the British context.

Unless industrial self-discipline is reasserted with quite improbable speed, the answer must surely be that these services should somehow be placed apart. Once this principle is conceded, the rest follows on lines suggested by the firemen's dispute. The right to a wholly reliable service may have to be bought through a fairly expensive pay review, and some guarantee of future real values.

Comparability and indexation are, of course, the battle cries of everyone in the public services, and it would not be easy to concede the principle to one "essential" group while withholding it from those with weaker bargaining power. However, in the context of general disorder in the private sector, with settlements which will certainly reduce job opportunities for some of those involved, the movement of private sector wages is not an appropriate yardstick for those in more secure employment.

The public service as a whole is now far too large to be treated as a special case on such terms. Indeed, even in the most essential services, where some of the present bitterness is due to the fact that pay has lagged, in spite or even because of past incomes policies, bargaining cannot be conducted in an economic vacuum. Low pay commonly buys a low standard of service. A radical pay review should buy a correspondingly improved service.

In short, for those groups where a guarantee of service is essential, a decent level of wages, indexed for the future to some appropriate measure of private wages, might be appropriate, but should also involve a reasonable economy in manning. Both pay and manning adjustments would probably have to be made over a period. For the rest of the public services, such bargain might be negotiable over a period for groups prepared to offer a guarantee of uninterrupted service, just as some private employers have long been prepared to offer substantial bonuses for discipline. However, it is a sad comment on the success of militancy that such bargains, even where negotiated, tend to be rejected on the shop floor.

No easy solutions

For the bulk of public services and industries, where labour relations remain "normal" by British standards, the right approach must be more cautious. "Comparability" begs too many questions about status, quite apart from the problem of putting a money value on job security. The ease or difficulty of filling vacancies is the market test of pay adequacy, and should be given due weight; and continued pressure for efficient manning standards is economically essential. This approach may mean continued conflict; but British labour relations do no offer easy solutions.

Talks on talks in Korea

MOVES TOWARDS Sino-U.S. *rapprochement* have a habit of finding an echo in the Korean Peninsula. In 1972 President Nixon's trip to Peking was followed by North and South Korea starting talks. Now Deputy Premier Deng Xiaoping's visit to Washington is being accompanied by renewed talk about reviving the talks. And both sides say they aim for the unification of the 50m Koreans.

"At any time, at any place and at any level," South Korea's President Park Chong-hui said ten days ago when he suggested meeting the North Koreans. It was a striking offer made at a striking time. Yet it was less original than it seemed. The two sides have long paid lip service to negotiations. Last June, for instance, President Park replied to a call from the north for increased co-operation by suggesting talks on trade and technical agreements. And last September, Pyongyang radio says "the great leader Comrade Kim Il-sung again made it clear that we held open the door of dialogue."

With the times

Inevitably the two embattled Koreas have had to move with the times. Created by foreign intervention they have survived in part on foreign goodwill. North Korea has found it the harder battle and has long been defaulting on its debts. Apparently the only country in the world to have a mutual defence treaty with both the Soviet Union and China it long balanced the two against each other. As the gulf between Moscow and Peking has widened, Pyongyang has found this an increasingly hard game to play. Recently it has bowed to the reality of having a common border with China and openly came out on China's side.

A series of visits last year by Chinese officials including Premier Hua Guofang, has contributed to North Korea joining Peking in condemning the Vietnamese backed "liberation" of Kampuchea. But massively dependent on the Soviet Union for its armaments and increasingly looking to Eastern Europe for the technology it requires for its development. North Korea is not in a position to break completely its links with its long-time ally. At least some part of the former balance has thus to be maintained.

South Korea, too, has its problems. The latest U.S. intelligence reports claim that North Korea has ten more army divisions and more tanks than previously believed. The threatened U.S. withdrawal of 26,000 ground troops has now been put back to the Greek kalends — only 3,000 have been withdrawn so far and in the meantime the 18,000 U.S. airforce personnel have had their equipment boosted. But none the less South Korea is somewhat jittery, not least because of the increasingly close links between North Korea and Japan's main opposition party.

The economic arguments for reunifying the peninsular are less strong than they were when South Korea was little but an agricultural community and North Korea contained most of the peninsula's industry and minerals. But they are still there, as of course are all the bitternesses of the past and the contradictions between a capitalist and a Communist economy.

Indeed the two sides are both obviously seeking very different things in talking of talks. South Korea, predictably using American terminology, looks for a step-by-step approach, for confidence-building measures and for a gradual approach aimed at reaching situation similar to the two Germanys.

It would have unification at the end of a long road, but North Korea wants it as part of an overall deal which would include the reduction of military forces by both sides and the removal of U.S. troops. It also calls for a "whole nation conference" which would include all parties in the South, including the communists and many of the politicians imprisoned by President Park. For the South this is less akin to politics than a propaganda battle.

Thus inevitable

The gulf in other words, remains. An indication of the problems still to be overcome came at a meeting which took place between the two countries on the same day as President Park's "any time" offer. It was the 456th meeting of the secretaries of the Military Armistice Commission and it saw North Korea protesting the "ceaseless military provocations" of "the South Korean puppet clique." But with China and the U.S. moving closer neither is likely to relish the idea of trouble in Korea. Talks between the two sides are thus inevitable, even if today they seem premature.

THE NCB'S DREAM OF THE NEXT CENTURY

Extracting coal without miners . . . but watch the capital cost

By DAVID FISHLOCK, Science Editor

THE distinguishing visible feature of the coalfield of the future, beyond AD 2000, may be a mobile "gasworks," a chemical plant which travels slowly across the terrain. At least such is the view of a physicist recently recruited by the British National Coal Board to set up a "think tank" for the future of coalmining. The chemical plant may be processing a gas synthesised in the coal seam itself, or a solvent-saturated with "coal substance," conceivably even a slurry of microbes sated by feeding on coal.

The task the Coal Board has given to Dr. Alan Bailey, a former government physicist, is to work out an economic way of mining coal with little or no help from traditional coalminers. This is a challenge which has tantalised British mining engineers for several decades, not least because it could be the best way of eliminating 50 deaths, 500 serious injuries, and hundreds of new cases of "dust disease" a year. It is a tough one to tackle, not only because miners themselves show little enthusiasm for being displaced but also because of the form and distribution of coal in Britain.

The average coal seam in Britain's abundant reserves is less than 5 feet thick—it may be as thin as 2 feet—and lies at a depth of 1,600 feet. British mines are on average about 70 years old. At the rate Britain is mining coal the average depth at which miners are working will increase by 300 feet every 10 years. As depth increases the mine becomes hotter, the rock more highly stressed, and the seam exudes more natural gas, making the working environment more unpleasant and dangerous. Nevertheless, at the rate of 150m. tonnes extracted per year, proven reserves could suffice for as long as 300 years—much longer if reserves at depths beyond 4,000 feet (about 1,200 metres) inaccessible to mining at present, could somehow also be exploited.

Dr. Bailey's task, as head of the advanced mining evaluation unit, is to take a report prepared at the NCB's Mining Research and Development Establishment at Bretby near Burton-on-Trent two years ago on novel mining ideas, and help the Board eventually to choose one among them to invest in for the next century. The report* prepared by a committee of senior Coal Board scientists under the chairmanship of Dr. Ivor Evans, Bretby's deputy director responsible for mining sciences, contains a remarkable collection of ideas which might serve to extract coal without miners. Dr. Bailey's targets are to whittle them down to perhaps three or four of real promise in the next two years, and to set up a pilot trial in about five years' time.

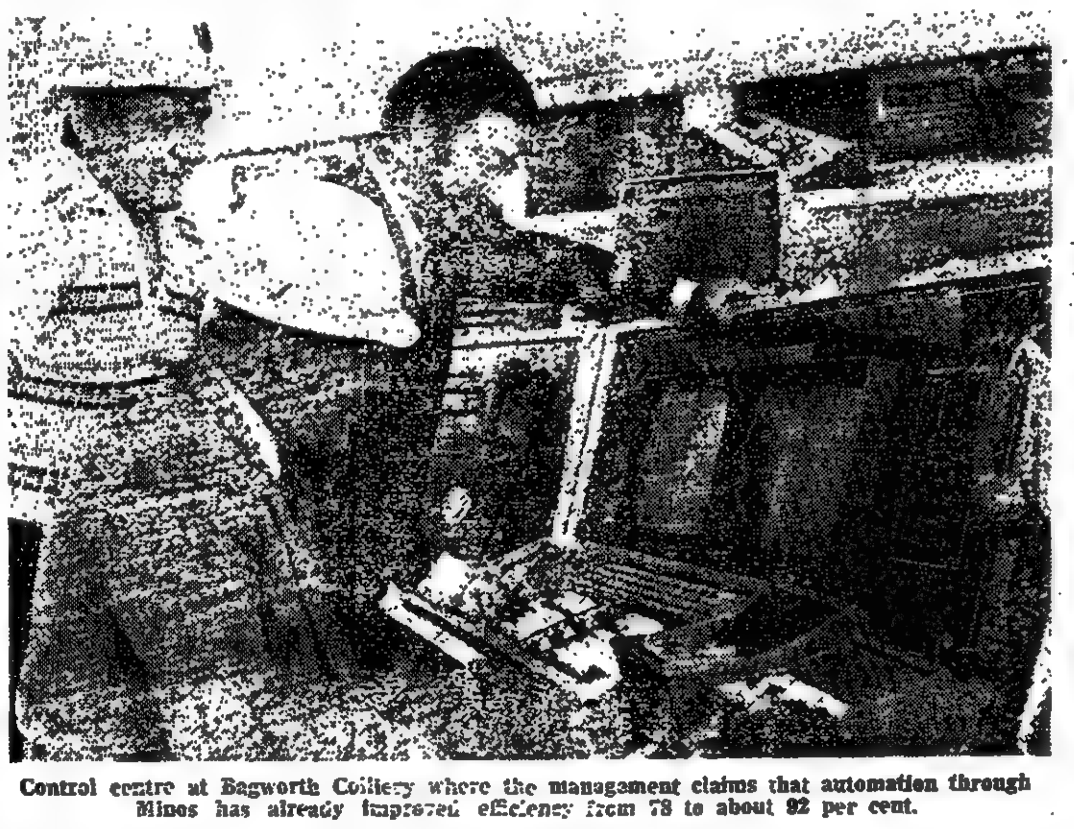
The yardstick against which decisions will be taken, however, must be the advanced mining technology on which the NCB expects to depend for the next two decades. This is a method of cutting coal mechanically in "bacon slices" up to 200 yards long, using as much electronic control as the system will allow. This is the technique which will be used in the new mine at Selby, and later to exploit the rich seam beneath the Vale of Belvoir.

The NCB has been developing the automatic monitoring of the miner's working environment and remote control of coal clearance—the process of conveying it away from the face—since the early 1960s. It started with time-honoured electro-mechanical systems. In the mid-1960s its engineers suffered a severe setback with what was intended to be the world's first remotely operated pit. The technology of Bevercotes was too unreliable, and the miners themselves unpersuaded. Finally the venture came to an end because of an unforeseen geological fault.

A wiser NCB returned to the challenge about five years ago. The newly appointed director at Bretby—a mining engineer, Mr. Peter Tregelles—discovered that his laboratories had already developed the ingredients of a more advanced system of automation called Minos—an acronym for mine operating system. Minos is a family of electronic systems for automating the control of the key facets of a coalmine—environment, coal clearance, coal washing, etc. Mr. Tregelles set about organising full-scale demonstrations of each application of Minos, at coalmines of different shapes, sizes and ages round the UK. The capital cost of these demonstrations is met from his £15m research budget.

What Minos, unlike its forerunners, offers is a common system for all mines of computers, peripherals, programs, etc. All applications conform to common standards of safety, reliability and performance. The ultimate goal is to tie most if not all the facets of Minos in a given mine into a single integrated system automating the mine. Such a mine—it will probably be a new one, planned for Minos from the start—will have one main computer operating through many local minicomputers and microprocessors. It will be rather like automating an entire underground city.

The closest yet to the integrated system—albeit still far off—is Bagworth Colliery, 17 miles from Bretby, where the computer has taken control of all transportation of coal for the past four years. Minos itself, introduced in 1977, has now taken control of 27 plant items—perhaps 20 per cent of operations at Bagworth. Today it is a highly productive mine cutting more than double the national average per man. It enjoys excellent rapport between Bretby's technologists and the mine management. "We get the advantage of having the newest though we have the hassle of having to try it," one manager says.



Control centre at Bagworth Colliery where the management claims that automation through Minos has already improved efficiency from 78 to about 92 per cent.

Difficult sector

Other mines have been used as testbeds for other facets of Minos: coal preparation, environmental monitoring (e.g. for methane, ventilation, etc.) At Bagworth two more facets are soon to be tested, the control of pumps and control of the coalface itself. The coalface is the really big challenge for Bretby, not only because it is intrinsically very difficult to automate the coal cutting operation, but because it is the most difficult sector in which to win safety approval from the mining inspectors.

The machine that Bretby is automating for coal cutting is the Anderton shearer-loader, invented by a Coal Board engineer, Mr. John Anderton, and first demonstrated successfully over 25 years ago. The NCB owns about 3,000 today, costing up to £200,000 each.

To automate this machine Bretby envisages an array of electronic systems analogous to the avionics of a modern aircraft, so that it always knows where it is and where it is going in the coal seam. This means knowing how far it is from the roof—the rock overlaying the seam. It means knowing that it is steering a path straight and level along the coalface. It means knowing what lies ahead in the seam—coal, shale, rock, water, etc. It even means having advance warning of any deterioration in its own performance, so that serious breakdown of a major investment might be prevented.

A major part of Bretby's scientific programme is the development of sensors and their associated microprocessors to cull this kind of information from the coalface. For example, the researchers are working with Marconi Space and Defence Systems on an advanced concept of steering called the Autosurveyor. It uses infrared rays bounced off reflectors along the coalface to compute precisely where it is. It also has a new sensor which can compute from the gamma rays emitted naturally by overlying rock just how far the machine is from the roof of the seam. Peter Tregelles has no doubts that the NCB leads the world today in developing automatic guidance of coalcutting machines.

At Bagworth Colliery the management believes that within another year or so it will have a demonstration of Minos partially controlling the coalface. But it will not be complete automation of the Anderton shearer-loader. This task will take much longer—if indeed it is ever technically possible.

Minos has been adopted in principle by the NCB as the way ahead for Britain's coalmines for at least another two decades. Four main suppliers have been selected for the Minos data transmission systems which are associated with the American DEC (Digital Equipment Corporation) main computer. These four are: Hawker Siddeley Dynamics Engineering, Hunwood, Transmitton, and Westinghouse Brake and Signal Company. Purchases of Minos demonstrations have been rising steadily—five in 1976, eight in 1977, 15 last year. The NCB estimates that so far it has spent about £11m equipping its mines with Minos.

But Mr. John Mills, Board member for mining, points out that the case for installing Minos must now be made, by individual colliery managements which must evaluate the understandable enthusiasm of Bretby (and the manufacturers) to see it adopted. "Force it too fast and you'll get an almost instantaneous reaction against it," he says. The Coal Board itself has also asked its operational research group at its Hobart House headquarters in London to make an independent evaluation, to try to quantify the researchers' claims.

This group, headed by Mr. George Metcalfe, has concluded so far that the application of Minos to coal clearance affords an improvement in availability of about 18 minutes per shift. This means an additional 90-180 tons of coal from the face per shift. "So as I see it, Minos for coal clearance is going to make an important contribution," says Mr. Mills. The operational researchers believe that the capital outlay of some £350,000 for a three-face colliery will be amortised in about three to four years.

This painstaking process of evaluation — frustratingly slow for researchers and suppliers — will be undertaken for each facet of Minos. The fiascos of Bevercotes and of an even earlier attempt to develop a robot, the Collins miner, are still fresh in the minds of Board members. But as Mr. Mills points out, the researchers themselves are still a long way from either fully automating the coalface itself, or from an integrated Minos to automate a complete mine. And the NCB will need time to prepare itself for novel demands for manpower from its collieries — for electronic engineers and computer programmers, for instance.

In trying, as Dr. Bailey must do, to look beyond Minos to an even less labour-intensive system, which if need be could be used at great depths or far beyond the seashore, the researchers are drawn towards a chemical rather than a mechanical solution. The odds, Dr. Bailey believes, are on some form of in situ gasification or liquefying of coal in the seam, so that it can much more conveniently be pumped to the surface. Another attraction — in theory at least — is that much less coal may then need to be left in the seam for reasons of safety. Nevertheless, the engineering problem will be daunting. "You can not stoke the fire or rake the ashes," Dr. Bailey observes.

The alternative may be a kind of robot mining technology much more advanced than Minos. One concept which Bretby is now taking seriously is the possibility of telechiric (from the Greek for remote and hand) mining or "armchair mining" in which a powerful robot underground would faithfully follow the instructions and motions of a coalminer seated safely on the surface. He would be fed with enough information to make him feel that he was working at the coalface. The same concept is being investigated by scientists with the Department of Energy as a possible way of replacing the diver in his more hazardous roles in the North Sea. So far Mr. Tregelles has committed about £20,000 to pilot studies of the problems.

* Mining beyond 2000 AD, available from National Coal Board.

MEN AND MATTERS

The arts of fighting for £50m

The running battle between the Treasury and the Commons about the future of the £50m Land Fund enters a new phase tomorrow. Arthur Jones, Conservative MP for Daventry, is calling a Press conference at the House to proclaim his anger at the treatment of his private member's Bill on the matter. His aim is to ensure that control of the £50m passes into the hands of independent trustees for spending on the arts.

On Friday, his Bill came up for a first reading, and was summarily dismissed from the lists through a completely unexpected objection by the Government Chief Whip. Jones regards this as a declaration of total war, because his Bill was recently ruled permissible by the Speaker; since a private member's bill cannot under standing orders "create a public charge," this ruling was a blow to the Treasury and gave parliamentarians hope that the Land Fund might at last be freed for use on the arts.

Jones was chairman of the select committee which reported on the Land Fund, and sees it as his duty to break Whitehall's grip on the £50m. He is by no means sure that Joel Barnett, the Treasury minister, thinks much of that aim—or indeed of the Speaker's ruling.

The outcome of the dispute could be far-reaching. One of the people at tomorrow's Press conference will be Norman St. John Stevas, not only Tory "shadow" for the arts, but the opposition front-bencher with special responsibility for constitutional matters.

"It's pay day again."

Wings of song

The Welsh National Opera feels a quiet satisfaction just now, at the thought of being the first body in its line of activity ever to hire a hydrofoil. This is not, as you might suspect, for use in an up-dated version of "The Flying Dutchman," but to take some of the audience home after the performance.

The scene of this innovation will be Southampton Water. The company is visiting Southampton in March and recently began wondering how many paying customers there might be in the Isle of Wight: the last ferry goes to the island at 9.00 p.m. So the hydrofoil has been hired for the evening of "The Magic Flute."

Supposing it turns out that the Isle of Wight is full out philistines? "We can't think that," I was told from Cardiff. "Anyway, hiring a hydrofoil only costs £150 and we've even persuaded the Southern Tourist Board to underwrite it."

Steering Volvo

The City's high reputation abroad could, indirectly, have been responsible for the collapse last week of the proposed deal whereby Norway would acquire a 40 per cent stake in Volvo. Heavily opposed by Volvo's small shareholders, the deal aroused such high passions that Stockholm stockbrokers Lengenskiold and Company decided to commission a report from outside the country.

Two hundred copies of the analysis by Grieveson, Grant, strongly opposing the deal, were circulated widely among journalists and financial analysts. "It certainly contributed in influencing some of the institutions here," Lengenskiold partner Thomas Fischer tells me. "We asked for advice in the U.S. first but were recommended to Grieveson, Grant. We were very satisfied with the report.

It certainly did the City's reputation no harm with the Norwegian government, threatened with a major crisis if the deal had gone through.

Grieveson, Grant's report, written by analyst Brian Toms, said Volvo was following the wrong policies in going down rather than up-market while manufacturing in high-cost places—of which Norway was a classic example. Moreover, the price, said Toms, was too low.

"It certainly had a bit of effect," says Brian Knox, head of Grieveson, Grant's international department.

"When we cast the silver bullet we did not expect it to hit quite so effectively."

Slow foot forward

"There are," asserts John Man, "many more walkers than joggers." It is the safe logic of a former Time-Life editor who knows the market, a logic which is about to release a volume called Walk! in both Britain and the U.S. simultaneously.

The U.S. has, in fact, been prepared to some extent. Man, who describes himself as an "editorial packager," tells me he has found some impeccable research done by "a very senior cardiologist" in Washington which shows that walking is just the thing, and that running—with its claimed 15m U.S. adherents—is not: "The injuries that runners can suffer are quite severe, especially in middle age, especially if you are a little overweight . . . And if you injure yourself you get no benefit at all from the running revolution."

According to their impeccable research, walking can bring just the same benefits as running, without injury, "and without the risk of making a fool of yourself." Man hopes to cash in on what he sees as the gradual reaction against "jogging mania."

Despite the promise "It Could Change Your Life" on the cover of his book, Man assures me he does not take walking over-seriously: "I have never walked further than 10 miles but I get around a lot and very fast."

Current account

As the Iranian tragedy unfolds, the villagers of Neauphe-le-Chateau near Paris are preparing for the moment of readjustment when the Ayatollah Khomeini finally flies away. Strange events occur in the village every day: a gendarm remarked drily at the weekend that he had just found a shopping bag hanging on some railings with $30,000 in it in single-dollar bills. The owner had forgotten it while going for an audience with the Ayatollah.

The best restaurant in the village is Chez Sam, which claims to have been the Shah's favourite eating place in former years. But Neauphe-le-Chateau has small hope that he will ever come back again after his adversary has departed.

Overcast

Card pinned to the coat of a street singer in Kensington: "Cloud needs relining."

Observer

Burco Dean raising £1.2m to meet expansion plans

Burco Dean, manufacturer of domestic appliances and kitchen equipment, is raising £1.2m by way of rights. A total of 2.1m shares of 25p each will be issued on the basis of one-for-three at 60p per share.

The directors intend to recommend a dividend total of 4.98252p net for the year ending September 30, 1979. This represents a 20 per cent increase over the 1977-78 payment.

They believe that the company's capital structure, while sufficient for present and immediate future needs, is inappropriate to the group's longer-term plans, "particularly as more manufacturing capacity will be required for the development of new products."

It is pointed out that the company's development over the past four years, when turnover increased by 137 per cent to £27.8m and profits by 58 per cent to £1.63m, has been achieved without increasing the capital base of the company.

Charente Steam-Ship Company, which owns 20.05 per cent of the equity, has stated that it intends to take up its entitlement. Barclays Merchant Bank has underwritten the remainder.

Dealings in the new shares are expected to begin on February 14. The offer remains open until March 6.

Brokers to the issue are Laing and Cruickshank.

At January 1, 1979 the group had outstanding loans of £2.58m, including a secured medium-term loan of £2m and bank overdrafts and other short-term borrowings of £0.35m.

As known, Burco Dean's pre-tax profits jumped by 47 per cent to £1.63m for the year ended September 30, 1978. Dividends totalled 4.1521p net.

In his annual review, Lord Hewlett, the chairman, says that while profit margins improved during the year, the directors "still feel that in normal trading conditions better returns are possible."

A statement of source and application of funds shows that bank balances increased by £0.46m (£2.49m) at the year-end.

An EGM is called for February 13 to consider an increase in capital to facilitate the rights issue.

The annual meeting will be held on February 20.

● comment

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Finals: Bertrams, Glass Glover, IDC.

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Finals—	
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The increase in interest rates has not helped the industry generally, says the chairman, but he remains confident that the product range, quality and price will ensure that the group maintains its share of the available market.

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Mr. David Lawman, chairman of the Prestige Group, pictured in the company's London showrooms. The Group's results are due to be announced tomorrow.

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Midland Trust ......int.	2.01	March 5	1.32	—	4.4

Dividends shown pence per share net except where otherwise stated.

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Abbey Panels behind

DESPITE a second half proft of £241,069 against £226,194 Abbey Panels finished the full year ended September 30 1978 with taxable profits down from £433,924 to £390,319. Turnover rose from £3.49m to £4.56m during the year.

After tax of £211,332 compared with £231,411 net profit came out at £178,987 (£202,513) giving earnings of 8.95p (10.13p) per 25p share. A final dividend of 1.38p (1.43p) net lifts the total from 3.64p to 2.68p.

Abbey is engaged in the prefabrication of sheet metal units, press-work, machining and toolmaking.

No upturn yet at Ley's Foundries

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He says in his annual statement that in the current year, so far, there are few signs that conditions are likely to improve significantly in the near future.

As reported on January 11, pre-tax profits for the year ended September 30, 1978, fell from £1.68m to £1.19m on turnover of £39.4m (£35.2m). Earnings per share are down from 7.11p to 4.79p and the dividend is held at 4.3p net.

Net liquid funds decreased by £1.49m (£2,913) as at September 30, 1978.

Meeting, Derby, February 21, at noon.

Crest International

Shareholders' funds of Crest International total £22,500, states the Board, which is represented entirely by short-term deposits earnings interest at beneficial rates.

This position, the directors add, will be further enhanced once the remaining sale proceeds, estimated at £90,000, are received. In the year to March 31, 1978, profits were £79,579 (£24,999).

The Board's policy for the future is to explore attractive opportunities in which to invest the liquid funds of the company to obtain income and the prospect of capital growth.

Midland wants Canada Bank Act changed

Midland Bank is seeking changes in the proposed new Canadian Bank Act which will force Midland to divest itself of four of its non-banking subsidiaries operating in Canada.

Under the new bank legislation, foreign banks will be prevented from owning more than 10 per cent of a Canadian non-banking company. Midland Bank says the changes would force it to change control of its two travel companies, Thomas Cook Canada and Thomas Cook Travel, as well as Ewings, an insurance company and Kimstone International Corporation, which finances exports.

Midland Trust ahead midway

Profits of the Midland Trust improved from £142,568 to £163,725 in the first half year ended December 31, 1978. The result is after all charges but before tax of £53,288 against £48,473.

To reduce disparity, the interim dividend is lifted from 1.32p to 2.01p net per 25p share—the previous total was 4.402p.

Net asset value per share is 118.5p (101p).

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BP Canada announces that all the company's outstanding 5 per cent cumulative redeemable sinking fund preference shares will be redeemed on March 26, 1979. The shares, with a par value of $100 each, will be redeemed at $103 each plus accrued dividends. There are 11,410 shares outstanding.

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J. Henry Schroder Wagg, who are advising Westinghouse Brake and Signal, on Friday bought 22,000 Hawker Siddeley at 220p on behalf of associates discretionary investment clients.

Thos. Ward sees higher profit after overhaul

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This is despite the outlook for British industry generally as well as the sale by the group of certain profitable businesses.

Prices of scrap are expected to be reasonably steady and volume sales should not be any lower says Mr. Frost. A full year's benefit of the more cost effective kiln at Ketton should enable construction profits to be further improved.

Most of the improvement made by engineering in the second half of last year should be maintained. The Ford strike has hampered the motor vehicle sector's progress, but given reasonable supplies it should still have an acceptable year.

The industrial services sector will continue to grow and still further improve its profit record.

For the year ended September 30, 1978, profits before tax rose from £7.61m to £11.83 and net profit from £3.79m to £6.14m. Turnover amounted to £252.35m against £242.72m.

The group's balance sheet has been significantly improved and ratio of borrowings to shareholders' funds, after accounting for deferred tax, is under 50 per cent compared with 77 per cent a year ago and 112 per cent three years ago.

The disposal of businesses realised £9m out of the net cash inflow, for the year of £11.3m, but long term aim continues to be the raising of the group rate of return on assets employed.

"We still need to improve the real rate of profit if we are to satisfy the future needs of the business, and provide adequate dividends for shareholders," the chairman says.

All bank loans have been renegotiated and, as well as having security released, repayment periods have been extended and interest rates reduced.

Meeting, Sheffield, February 22.

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Good first quarter for Borthwick

IN THE first quarter of the current year, Thomas Borthwick and Sons has got off to a good start with results "solidly ahead" of last year.

This news was given to shareholders at yesterday's AGM by the chairman, Dr. William Bullen.

He said that while industrial trouble was not affecting the group's large businesses in Australia and New Zealand, it was a major problem in this country. However, although New Zealand lamb sales had been hit and there were difficulties at one of the abattoirs in Scotland as well as the bakery products plant, there was every indication that the group's trading result for the year would not be affected materially. The global spread of the mainstream meat business was a valuable prop.

Good start for Vaux Breweries

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They were not quite as good as had been hoped over Christmas and New Year because of the weather.

Results for this year would be affected by the outcome of the treatment of the industry by the Price Commission and also the level of interest rates at a time when the company was in the process of a major modernisation programme.

Mr. Nicholson said that the company expected to fund the modernisation and expansion programme without a rights issue but that the situation would be kept under review.

Delyn well ahead for 52 weeks

ON TURNOVER of £4.48m against £3.66m, pre-tax profits of Delyn, packaging products group, rose from £26,000 to £91,000 for the 52 weeks to October 1, 1978.

The directors, having changed the accounting year-end date to January 31, expect to incur a seasonal loss in the final four months but they are confident that results for the 16-month period will show an overall profit.

Loss at the 24-week stage was £113,000, compared with a previous £142,000 and directors said that seasonal nature of business continued and the company was trading profitably in the second six months.

Pre-tax profit for the 1976-77 year included a credit of £22,000 excess provision for depreciation in previous years. After tax £33,000 (£26,000 credit) net profit emerged at £58,000 (£52,000). Earnings are shown as £3.0775p (3.6979p) per 20p share, on increased capital. Last dividend paid was 1.2403p net for 1973-74.

Independent Newspapers has very strong balance sheet

The financial position of Independent Newspapers at the end of 1978 was the strongest in the group's 75-year history, Mr. R. T. Murphy, the chairman, says in his annual report.

Total capital employed expanded from £5.9m a year earlier to £10.4m while net equity assets, reflecting retained profits and increases in the worth of certain fixed assets, rose from £3.9m to £6.2m.

Despite capital investment of some £3m during the year, the strong cash flow resulted in a conservative financing position with net borrowings standing at 43 per cent of shareholders' funds.

For the year ended December 29, 1978, profits before tax rose from £2.09m to £3.23m from turnover of £30.76m against £22.37m. A one-for-two scrip issue is also proposed.

The group publishes four national newspapers in Ireland and their combined circulation accounted for 55.7 per cent of the total circulation of national newspapers.

Advertising in both national and regional Irish papers rose steeply in the year in line with the country's economic performance and regained consumer confidence, the chairman says.

The outstanding feature of the year in the UK was the progress of Ms. London, the weekly colour magazine of which 175,000 copies are now distributed free each Monday. Benefiting from an upswing in recruitment and consumer advertising, this magazine is now firmly established and celebrated its 10th anniversary in September.

The regional weekly newspapers published in East London and Essex by Wilson and Whitworth Publishing, have continued to encounter strong competitive pressures.

However, considerable progress in both reducing costs and enhancing revenue has been made during the year and it is now evident that, with continued effort on these fronts, the company has the capacity in time to earn a reasonable return on the investment made in it to date.

Shopping - Center - Werbung (SCW) has now established itself as a major force in the West German poster industry. During the year Independent increased its shareholding from 50.4 per cent to 63 per cent.

The Board considers the poster industry to be an attractive area for investment. Accordingly, further international opportunities for poster investments are currently being researched.

In May 1978 the group invested £359,000 in Noble Multimedia Communications, taking the first stake in commercial radio.

The station for this operation is situated in Mexico and is now broadcasting on VHF in addition to AM on a 24-hour basis, and covers an area of high population growth in Southern California. Advertising revenue has already shown a substantial increase.

At the year-end, Fitzwilton held 1.76m shares in Independent. Meeting, Dublin, February 19.

Utd. Guarantee broadening base

Steps will hopefully have been taken in the current year to broaden the base of United Guarantee (Holdings), says Mr. H. W. King, the group's chairman, in his annual statement.

He adds that during the past year the Board considered potential acquisitions and possible diversification and certain specific prospects are now being actively explored and evaluated.

Mr. King says during the year United Lubricants and United Lubricants (Fuel Oil) maintained the improved efficiency reported last year.

If the profit level of the year under review is to be maintained, and hopefully expanded, further efforts will be needed in developing and extending the trading in both companies.

To this end further organisational and procedural changes have been introduced into United Lubricants during the past year, and the management of both companies has been strengthened.

The chairman adds that the organisation and methods of both companies are being closely monitored to ensure there is no fall-off from last year's improved performances.

As reported on January 22 this year the group lifted taxable profits from £197,580 to £315,780 on turnover slightly down at £4.14m, against £4.43m.

Net current assets are shown up from £229,326, against £418,875.

The group made a net improvement in liquid funds of £480,613 (£229,107).

Meeting, Winchester House, EC2, February 22, at noon.

Worcester Eng. expansion

Turnover at Worcester Engineering Company, manufacturer of oil-fired boilers, more than doubled during 1978, while volume production was exactly double that of 1977.

Mr. Cecil Duckworth, managing director, says that as a result of the company's successful year, the finishing touches are now being put to a £500,000 expansion programme. Major additions to sales and production facilities at Worcester are planned, he adds.

The results owed much to a recent rationalisation of the successful Danesmoor oil-fired boiler range from 18 to five models, and encouraging sales of the Heatslave gas-fired boiler range has resulted in a major increase in production during 1979.

Trident new pension plan

A new pension scheme designed for controlling directors and senior executives has been launched by Trident Life Assurance Company. Called the Trident Life Executive Pension Plan its aim is to provide flexible benefits to meet the individual needs of executives and flexible methods of making contributions.

At retirement the executive can choose tax-free cash, a level or escalating pension with guaranteed payments over a selected period. There is provision for a widow's pension. The open market option is available so that the best pension rates can be taken at the time of retirement. In the event of death in service, the full value of the fund is paid. Life cover may be written parallel with the plan to provide widow's or dependents pension or a lump sum free of Capital Transfer Tax.

There is provision for the amount of contribution to be varied, even to the extent of stopping completely and restarting later. Single premium payments can be made to secure additional benefits. Investment is made in a choice of five funds with switching facilities between the funds. These funds are managed by Schlesinger Investment Management Services.

Mr. Alan Roberts, general manager of Trident Life, believed that there was still vast potential for pension schemes. The market was booming as executives endeavoured to offset the effects of high taxation. This plan provided one of the most flexible and restriction free on the market.

NEW LIFE BUSINESS

Colonial Mutual success: writes 28% more

A successful year for new life business in 1978 is reported by The Colonial Mutual Life Assurance Society, with new annual premiums 56 per cent higher at £8.5m compared with £5.4m in the previous year. New single premiums, however, fell by 10 per cent from £2.2m to £2m, resulting in new sums assured being 28 per cent higher at £822m against £641m. New annuities per annum rose by 136 per cent from £500,000 to £1.4m.

The growth last year occured in pensions business following the start of the new State scheme. New annual premiums advanced by 165 per cent from £1.2m to £3.3m. The executive pensions market was also buoyant. However, single premium pension business fell on the year by 11 per cent from £2.1m to £1.9m.

Business written by the managed fund subsidiary showed even stronger growth with new annual premiums jumping 244 per cent from £528,000 to £1.8m and single premiums by 167 per cent from £133,000 to £355,000.

Life assurance business was also good last year with new annual premiums up by 24 per cent from £4.2m to £5.2m. Self-employed pensions contracts showed a growth of 117 per cent, while the remaining life business was 19 per cent higher, this improvement coming from all all classes of business.

A 62 per cent increase in premium income derived from new business written in 1978 is reported by The Manufacturers Life Insurance Group. This amounted to £6.3m last year compared with £3.9m in 1977.

The self-employed pensions market and the executive pensions field were extremely successful with single premiums rising ten times from £142,000 to £1.45m, while new annual premiums for these types of schemes rose significantly from £1.3m to £1.5m.

Overall new annual premiums increased by 9 per cent from £3.6m to £3.9m and new sums assured by 27 per cent to £149m.

The City of Glasgow Friendly Society reports increases in new annual premiums and sums assured for 1978 despite a substantial fall in the number of new policies issued during the year.

A total of 17,000 new policies were issued, a fall of 1,000 on the previous year. But new annual premiums advanced by 15 per cent from £460,000 to £530,000 and new sums assured were 18 per cent higher at £11.8m compared with £10m in 1977. The annual premium income for the year rose by 45 per cent from £2m in 1977 to £2.9m in 1978.

Burco Dean raising £1.2m to meet expansion plans

Burco Dean, manufacturer of domestic appliances and kitchen equipment, is raising £1.2m by way of rights. A total of 2.1m shares of 25p *each will be issued* on the basis of one-for-three at 60p per share.

The directors intend to *recommend a dividend total of* 4.98252p net for the year ending September 30, 1979. This represents a 20 per cent increase *over the 1977-78* payment.

They believe that the company's capital structure, while sufficient for present and immediate future needs, is inappropriate to the group's longer-term plans, "particularly as more manufacturing capacity will be required for the development of new products."

It is pointed out that the company's development over the past four years, when turnover increased by 137 per cent to £27.8m and profits by 58 per cent *to £1.63m, has been achieved* without increasing the capital base of the company.

Charente Steam-Ship Company, which owns 20.05 per cent of the equity, has stated that it intends to take up its entitlement. Barclays Merchant Bank has underwritten the remainder.

Dealings in the new shares are expected to begin on February 14. *The offer remains open until* March 6.

Brokers to the issue are Laing and Cruickshank.

At January 1, 1979 the group had outstanding loans of £2.58m, including a secured medium-term loan of £2m and bank overdrafts and other short-term borrowings of £0.35m.

As known, Burco Dean's pretax *profits jumped by 47 per cent* to £1.63m *for* the year ended September 30, 1978. Dividends totalled 4.1521p net.

In his annual review, Lord Hewlett, the chairman, says that while profit margins improved *during the year*, the directors "still feel that in normal trading conditions better returns are possible."

A statement of source and application of funds shows that bank balances increased by £0.46m (£2.49m) at the year-end.

An EGM is called for February 13 to consider an increase in capital to facilitate the rights issue.

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The group publishes four *national newspapers in Ireland* and their combined circulation accounted for 55.7 per cent of the total circulation of national newspapers.

Advertising in both national and regional Irish papers rose steeply in the year in line with the country's economic performance and regained consumer confidence, the chairman says.

The outstanding feature of the year in the UK was the progress of Ms. London, the weekly colour magazine of which 175,000 copies are now distributed free each Monday. Benefiting from an upswing in recruitment and con*sumer advertising, this magazine* is now firmly established and celebrated its 10th anniversary in September.

The regional weekly newspapers published in East London and Essex by Wilson and Whit*worth Publishing, have continued* to encounter strong competitive *pressures.*

However, considerable progress in both reducing costs and enhancing revenue has been made during the year and it is now evident that, with continued effort on these fronts, the company has *the capacity in time to earn a* reasonable return on the investment made in it to date.

Shopping - Center - Werbung (SCW) has now established itself as a major force in the West German poster industry. During the year Independent increased its shareholding from 50.4 per cent to 63 per cent.

The Board considers the poster *industry* to be an attractive area for investment. Accordingly, further international opportunities for poster investments are currently being researched.

In May 1978 the group invested £359,000 in Noble Multimedia *Communications, taking the first* stake in commercial radio.

The station for this operation is situated in Mexico and is now broadcasting on VHF in addition to AM on a 24-hour basis, and covers an area of high population growth in Southern California. Advertising revenue has already shown a substantial increase.

At the year-end, Fitzwilton held 1.76m shares in Independent. Meeting, Dublin, February 19.

Utd. Guarantee broadening base

Steps will hopefully have been taken in the current year to broaden the base of **United Guarantee (Holdings)**, says Mr. H. W. King, the group's chairman, in his annual statement.

He adds that during the past year the Board considered potential acquisitions and possible diversification and certain specific prospects are now being actively explored and evaluated.

Mr. King says during the year United Lubricants and United Lubricants (Fuel Oil) maintained the improved efficiency reported last year.

If the profit level of the year *under review is to be maintained*, and hopefully expanded, further efforts will be needed in developing and extending the trading in both companies.

To this end further organisational and procedural changes *have been introduced into United* Lubricants during the past year, and the management of both companies has been strengthened.

The chairman adds that the organisation and methods of both companies are being closely monitored to ensure there is no fall-off from last year's improved performances.

As reported on January 22 this year the group lifted taxable profits from £197,580 to £315,780 on turnover slightly down at £4.14m, against £4.43m.

Net current assets are shown up from £229,326, against £418,875.

The group made a net improvement in liquid funds of £480,613 (£229,107).

Meeting, Winchester House, EC2, February 22, at noon.

Worcester Eng. expansion

Turnover at **Worcester Engineering Company**, manufacturer of oil-fired boilers, more than doubled during 1978, while *volume production* was exactly double that of 1977.

Mr. Cecil Duckworth, managing director, says that as a result of the company's successful year, the finishing touches are now being put to a £500,000 expansion programme. Major additions to sales and production facilities at Worcester are planned, he adds.

The results owed much to a recent rationalisation of the successful Danesmoor oil-fired boiler range from 18 to five models, and encouraging sales of the Heatslave gas-fired boiler range has resulted in a major increase in production during *1979.*

Trident new pension plan

A new pension scheme designed for controlling directors and senior executives has been launched by *Trident Life Assurance Company.* Called the Trident Life Executive Pension Plan its aim is to provide flexible benefits to meet the individual needs of executives and flexible methods of making contributions.

At retirement the executive can choose *tax-free* cash, a level or escalating pension with guaranteed payments over a selected period. There is provision for a widow's pension. *The open market option* is available so that the best pension rates can be taken at the time of retirement. In the event of death in service, the full value of the fund is paid. Life cover may be written parallel *with the plan to provide widow's* or dependents pension or a lump sum free of Capital Transfer Tax.

There is provision for the amount of contribution to be varied, even to the extent of stop*ping completely* and *restarting* later. Single premium payments can be made to secure additional benefits. Investment is made in a choice of five funds with switching facilities between the funds. These funds are managed by Schlesinger Investment Management Services.

Mr. Alan Roberts, general manager of Trident Life, believed that there was *still vast potential* for pension schemes. The market was booming as executives endeavoured to offset the effects of high taxation. This plan provided one of the most flexible and restriction free on the market.

NEW LIFE BUSINESS

Colonial Mutual success: writes 28% more

A successful year for new life business in 1978 is reported by ***The Colonial Mutual Life Assurance Society***, with new annual premiums 56 per cent higher at £8.5m compared with £5.4m in the previous year. New single premiums, however, fell by 10 per cent from £2.2m to £2m, resulting in new sums assured being 28 per cent higher at £822m against £641m. New annuities per annum rose by 136 per cent from £509,000 to £1.4m.

The growth last year occured in pensions business following the start of the new State scheme. New *annual premiums* advanced by 165 per cent from £1.2m to £3.3m. The executive pensions market was also buoyant. However, single premium pension business fell on the year by 11 per cent from £2.1m to £1.9m.

Business written by the managed fund subsidiary showed even stronger growth with new annual premiums jumping 244 per cent from £528,000 to £1.8m and single premiums by 167 per cent from £133,000 to £355,000.

Life assurance business was also good last year with new annual premiums up by 24 per cent from £4.2m to £5.2m. Self-*employed pensions contracts* showed a growth of 117 per cent, while the remaining life business was 19 per cent higher, this improvement coming from all all classes of business.

A 62 per cent *increase* in premium income derived from new business written in 1978 is reported by **The Manufacturers Life Insurance Group.** This amounted to £6.3m last year compared with £3.9m in 1977.

The self-employed pensions market and the executive pensions field were extremely successful with single premiums rising ten times from £142,000 to £1.45m, while new annual premiums for these types of schemes rose significantly from £1.3m to £1.5m.

Overall new annual premiums increased by 9 per cent from £3.6m to £3.9m and new sums *assured by 27 per cent to £149m.*

The City of Glasgow Friendly Society reports increases in new annual premiums and sums *assured for* 1978 despite a substantial fall in the number of new policies issued during the year.

A total of 17,000 new policies were issued, a fall of 1,000 on the previous year. But new annual premiums advanced by 15 per cent from £460,000 to £530,000 and new sums assured were 18 per cent higher at £11.8m *compared with 510m in 1977.* The annual premium income for the year rose by 45 per cent from £2m in 1977 to £2.9m in 1978.

Tilling buying American electrical wholesaler

...omas Tilling yesterday ...ched the next stage in ... £100m U.S. expansion ...gramme with a $15m (£7.5m) ...d cash bid for Summers ...ric Company of Dallas, ...as.

...he British conglomerate— ...of the UKs top 50 companies ...aid that Summers share... ...ders controlling more than 66 ...cent of the group's shares ...accepted bid terms.

...illing has earmarked £100m ... its U.S. investment ...gramme and last year spent ...ly £30m on new U.S. acquisi...ns—although it failed in its ... approach for Eaton ...rporation which operates the ...e lock and security business. ...ummers claims to be the ...th largest U.S. electrical ...olesaler and also has some ...lders' merchants interests. ...lling said that deal would ...vide a "major entry" into ...U.S. for its Newey and Eyre ...ctrical wholesale division, ...ch generated sales of £123m ...1977.

...n the first nine months of last ...r Summers generated pre-tax ...fits of $2.42m (£1.2m) on ...s of $94m (£47m).

...illing said that upon com...tion of the acquisition—which ...still subject to approval by ...S. authorities and the Bank ... England—Mr. Gordon J. ...dley, managing director of ...ey and Eyre, will become ...airman of Summers.

...lling has recently acquired ...number of companies in ...e U.S., including Clarkson Industries (environmental control equipment manufacturer); Mayeaux Industries (trading as Norvell-Wilder Supply Company—supplier to the oil, gas and engineering industries); Ambassador Insurance Company (automobile insurer of Illinois); and D. L. Saslow Company (distributor of dental equipment and supplies). A number of Tilling main subsidiaries now have operations in the U.S.

SUPPORT FOR STANLEY MILLS

A new company has been formed, with the help of the Scottish Development Agency, to give Stanley Mills a new lease of life.

An Agency contribution of up to £150,000, in capital and loan, will help to maintain eighty jobs at Stanley Mills, in the Tayside village of Stanley, near Perth. The business and fixed assets have been bought by Stanley Mills (Scotland) from Sidlaw Industries. The consideration is £266,550 plus stock at valuation.

The SDA investment is in the form of £19,000 ordinary shares, representing 16 per cent of the equity capital, £30,000 9½ per cent cumulative redeemable preference shares and a secured loan of £100,000. The balance of the equity shares will be held by private interests with wide experience in the textile industry.

The business will remain at Stanley with the present workforce, and the mills will continue to spin specialist yarns for knitting and weaving. Detailed plans have been prepared to widen the range of products and this is expected to lead eventually to additional employment.

Insurance for works of art

An insurance broking company has been formed to provide insurance services for owners of works of art.

The new company — called Artscope—will have as principal shareholders Lloyd's of London insurance broker the Seascope Group; the Nordstern Group of Insurance Companies; Mr. Peter Payne, chairman of Interncontinental Brokerage Agencies; and Sotheby Parke Bernet Group, the fine art auctioneer.

Artscope plans to use Lloyd's of London for placing business as well as the international insurance market. But since Artscope is not an approved Lloyd's of London broker, that business which does find its way to Lloyd's will be channelled through the Seascope Group.

In the first year of operation the new company hopes to earn brokerage of £200,000.

The chairman of the new company is Mr. David d'Ambrumenil and the managing director is Mr. Alexis Fyshe.

Best and May suspended at 65p on takeover approach

...ectrical equipment dis...ibutor Best and May has ...ceived a bid approach from ...as yet unnamed party. The ...p's shares were suspended ...the Stock Exchange at the ...mpany's request at 65p, which ...ves a value of £1.5m on the ...mpany.

The most significant share...lding in the company is the ...4 per cent stake held by ...gon Securities, the investment ...lding company of Crown ...ouse, the electrical and ...echanical engineer.

...Imperial Tobacco Company ...nsion Trust holds 300,000 ...ares (13.3 per cent) while a ...ust created by Mr. W. Best, ...e chairman and managing ...ector, in which he has no ...neficial interest, holds 400,000 ...ares (17.8 per cent).

...n the last financial year end...g April 1978, Best and May ...ported pre-tax profits improved ... nearly 25 per cent to £809,000, ... turnover of £5.44m. In the ...rent year for the six months ...ding October 31, 1978, group ...fits showed a 9 per cent rise ...£174,107 on turnover of £3.1m. The balance sheet showed net ...sets of 32.7p, or 34.5p if a freehold property is included at a director's estimated valuation.

NATIONAL CARBONISING

Mr. Graham Ferguson Lacey, through his private company Birmingham and Midland Counties Trust, has increased his stake in National Carbonising to 23.1 per cent. He has also joined the Board.

Mr. Lacey bought his initial stake—of just under 9 per cent—last November and has been increasing it steadily through purchases. He has already said that it is not his intention to bid for National.

ANGLO-SWISS HOLDINGS

The offer by Armstrong Equipment for the capital of Anglo-Swiss Holdings not already owned has been accepted in respect of 629,908 ordinary shares.

Together with the 1,143,748 ordinary shares held by Armstrong before the offer period and the 6,738 ordinary shares purchased during the period, this brings the total number of shares which Armstrong owns or in respect of which it has received acceptances, to 1,780,394 (68.71 per cent of the capital).

The offer has accordingly become unconditional. It remains open.

Mr. J. H. Dyer, managing director of Armstrong Fastenings, will join the Board of Anglo-Swiss with effect from January 30.

SHARE STAKES

Park Place Investments—ICFC has exercised its option to subscribe for 500,000 shares (9.6 per cent of the enlarged capital). This option was granted to ICFC under an agreement dated June 2 1977 at time when ICFC made a long term loan to the Park Place.

Bank of Scotland—Kuwait Investment Office has acquired an interest in further 25,000 shares making holding 2,041,500 (6.33 per cent).

Carr's Milling Industries—Haygates has recently bought further 25,000 shares. With associates it holds 752,500 (15.05 per cent).

J. Billam—G. Billam, chairman, sold 70,000 shares on January 18.

OIL AND GAS NEWS

Imperial Oil earnings rose 7% to $314m in 1978

...ANADA'S LARGEST oil com...ny, Imperial Oil, estimates ...s 1978 earnings rose seven per ...nt to C$314m (£132m) from ...$293m in 1977, equal to ...$2.41m per share against ...$2.25. For the fourth quarter, ...rnings were C$90m.

The improved earnings re...ect strong performance in all ...erating segments. In the ...atural resource segment ...mperial expanded its explora...ion programme substantially ...nd experienced a high success ...ate. While gross production of ...rude oil and natural gas ...iquids remained stable, price ...ncreases contributed to im...roved profits. These earnings ...ere partially offset by the ...tart-up costs of the syncrude ...lant.

The petroleum products ...ector reported a four per cent ...ncrease in sales volumes. ...mproved sales performance ...ffset "market conditions that ...id not allow for full recovery ...f cost increases." Earnings for petroleum products were about ...he same as in 1977.

Earnings from chemicals increased "significantly reflecting higher sales volumes of agricultural chemicals and building materials."

Capital and exploration expenditures for the year were 30 per cent up at C$1.53bn reflecting increased activity in exploration and natural resource development, particularly in Western Canada.

* * *

Mesa Petroleum announces that production has commenced from Platform "A" located on South Pelto 13, offshore Louisana in the Gulf of Mexico.

The six-well platform which developed reserves from South Pelto 8 and 13 (Mesa 25 per cent) began producing at a daily rate of 3,700 barrels of oil and condensate and 18m cubic feet of gas. Production from this platform is expected to reach maximum rates of 6,500 barrels of oil and condensate and 25m cu ft of gas per day in February.

Platform B will be installed on South Pelto 13 in the second quarter of 1979. This nine-well platform will also be used to develop reserves *from* both tracts.

Ownership in these tracts is: Mesa Petroleum 25 per cent; Santa Fe Energy, a wholly owned subsidiary of Santa Fe Industries, 25 per cent; Reserve Oil, 13.5 per cent; American Natural Gas Production, 12.5 per cent; General Crude Oil 12.5 per cent; Oxy Petroleum 7 per cent; and Aminoil USA, 4.5 per cent.

Mesa with headquarters in Amarillo, Texas, is engaged in the exploration for and the production of oil and natural gas in the U.S. (including offshore areas of Louisiana and Texas), Western Canada and the North Sea.

* * *

Moussa Saadi, Moroccan Minister of Energy and Mineral Resources, is reported to have signed a protocol accord in Rabat with Occidental Petroleum of the U.S. for cooperation in the development of oil shales, phosphates and oil prospection.

Under the accord, Occidental will develop oil shales at Timhadit in Central Morocco in several phases to ultimately extract 3m tonnes a year of oil from shale.

An accord for the implementation of the first phase of the project was also signed with the State mining agency, Bureau De Recherches et de Participations Minieres.

IN BRIEF

RECORD RIDGWAY—Results for year to October 1, 1978 with comments on prospects, already reported. Group profit on CCA basis reduced to £232,000 loss. Fixed assets £6.56m (£4.72m). Net current assets £6.46m (£5.85m). Meeting, Sheffield, February 20 at 12.30 pm.

TRANSATLANTIC AND GENERAL SECURITIES COMPANY—Final distribution on Wickmoor Fund. Income units for the accounting period January 26, 1978 to January, 1979 1.4p net per unit (1.25p), payable on March 15, 1979. The total distribution for the year amounts to 2.2p (1.98p). Interim distribution on Barbican Investment Fund income units for period July 6, 1978, to July 4, 1979, 1.1p (1p) net per unit payable February 28, 1979.

MEGGITT HOLDINGS—Treasury consent been received for final dividend of 0.4195p per 5p share, which was announced on January 15.

M AND G AMERICAN AND GENERAL FUND—The final distribution on income units for the period to January 28, 1979, will be 0.42p net per unit (0.3p), payable on March 20, 1979. Total distribution for the period amounts to 0.62p, compared with 0.8p.

M. & G. COMMODITY AND GENERAL FUND—The final distribution on income units for the period to January 28, 1979, will be 1.42p net per unit (1.25p) payable on March 25, 1979. Total distribution for the period amounts to 2.52p compared with 2.6p.

Kaiser Resources earns more

BY KENNETH MARSTON, MINING EDITOR

VANCOUVER'S Kaiser Resources has lifted its 1978 net profit to C$62.1m (£26.1m), or C$2.32 per share, from C$57.3m in 1977, reports John Soganich from Toronto in his latest Canadian news round-up. The past year's earnings are the best since 1975 when Kaiser made a record C$71.2m.

The rise of 8 per cent in 1978 earnings is attributed to record shipments of metallurgical coal, higher coal prices and "three months of business activity" resulting from the acquisition of Ashland Oil Canada which was 97 *per cent-owned at the year end.*

* * *

Cyprus Anvil Mining has increased its 1978 profits to C$7m, or 92 cents per share, from C$4.9m in 1977. The good performance reflects higher ore grades coupled with improved prices for lead and zinc. The corporation's mine and mill are in the Faro district of the Central Yukon. A first shipment of concentrates is to be made next month to the Soviet Union under a two-year contract.

* * *

If the offer by **Noranda Mines** for **Mattagami Lake Mines** goes through, **Placer Development** will exchange its 27.1 per cent stake in Mattagami for a 5.4 per cent interest in Noranda. The transaction would result in a gain for Placer of some C$22m. Meanwhile, Placer's 1978 earnings have been reduced by a C$4.1m write-down of the coal reserves acquired last year in Kentucky as a result of the subsequent guidelines issued by the U.S. for the regulation of *strip mining*. In addition a potential sale of grazing properties in Australia owned by **Northern Cattle Company**, in which placer has a 50 per cent stake, has indicated a reduction in their value.

* * *

Gibraltar Mines, a subsidiary of Placer Development, had a loss of C$2.4m in 1978, compared with a loss of C$142,000 in 1977. Its big copper mine in British Columbia has been closed since May 3 by a labour dispute. Revenue was $22.4m against $41.2m in 1977.

* * *

Central Patricia Gold Mines via a series of private agreements has bought 501,200 shares of Conwest Exploration at C$6.75 per share. This included 110,800 Conwest shares from McVittie-Graham Mining. Central Pat now holds 48.9 per cent of Conwest, up from 28.9 per cent. Purchases were financed out of working capital and term bank loan of $1.8m. McVittie-Graham, in turn, has bought 358,100 shares of Central Pat at $1.66, bringing its interest to 24.5 per cent from 10 per cent.

LAURASIA GETS MINADOR FUNDS

New finance is to be raised by Canada's Laurasia Resources for its South African Minador gold mine. It is understood that agreement in principle has been reached whereby Australia's Jimberlana Minerals will advance A$150,000 (£85,700) to Laurasia.

Of this sum, A$115,000 will be used for exploration and development at Minador. Jimberlana may elect to spend a further A$410,000 by *July* this year and another A$500,000 by July, 1980, on Minador in which case the company will earn a 50 per cent interest in the mine's profits.

The remaining 50 per cent of profits would be split as to 30 per cent to Laurasia and 20 per cent to Straus Minerals of New York. But the Minador cash flow would first be used to retire all Jimberlana advances.

MINING BRIEFS

WITWATERSRAND NIGEL—Quarter ended December 31, 1978: Ore milled 70,900 tonnes (previous quarter 71,000). Revenue R1,863,192 (R1,875,136). Loss after tax R113,385 (profit R8,974).

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA—Coal division sales output for the year 1978 (figures in metric tons). Republic of South Africa: Bituminous: Amalgamated (Cornelia) 3,519,000; Anglo Power (Arnot) 5,351,000, (Kriel) 4,347,000; Bleskbok 305,000; Coronation (Bank) 2,113,000; New Largo 1,289,000; SA Coal Ests. 3,973,000; Springbok 2,166,000; Springfield 3,074,000, Vryheid Coal (Coal) 240,000, (Coke) 439,000. Other Collieries: Vierfontein 1,466,000; Zuinguin Natal's Indumeni Colliery 384,000. Anthracitic: Balgray 266,000; Natal Anthracite 682,000. Rhodesia: Wankie (Coal) 2,209,000, (Coke) 186,000. Swaziland: Swaziland's Mpaka Mine 127,000. Botswana: Morupule Limited 297,000. Group total 32,483,000.

NEW GUINEA GOLDFIELDS—Quarterly production figures to December 31. Golden Ridges Mill: Long tons ore treated 27,437; Fine gold produced 964.8 ozs; Fine silver produced 704.8 ozs.

P.O. to expand paging service throughout UK

BY JOHN LLOYD

The Post Office is to establish a national radio paging service, to spread throughout the UK in the 1980s.

Some £3m worth of orders have been made in the past month, largely for pagers and transmitters.

The service, which has been available in London for more than two years, is to be extended to Birmingham by the end of this year, and to Manchester shortly afterwards.

The system, to be operated by the Post Office, will allow a subscriber to rent pagers, then issue them to one or more people with whom he wishes to stay in touch. The pager then "bleeps" when the subscriber dials a given number, warning the carrier to phone the subscriber's number.

The pagers supplied to the corporation will be dual tone, allowing the subscriber to direct the carrier to one of two prearranged numbers — as, for example, his office or his home.

The call made by the subscriber to the carrier will be free of charge. The Post Office will gain increased revenue from the call made by the carrier to the subscriber.

The corporation is planning for a national capacity of 1.6m, with a capacity in London of 100,000. There are presently some 16,500 subscribers in the London area.

Pagers have been ordered from Motorola, the U.S.-based communications company which recently opened a factory at Basingstoke; and from Multitone, both orders being worth around £1m each.

Transmitters for the national system have been ordered from Redifon, at a cost of around £750,000. A GEC 4070 computer, at a cost of around £66,000, has been ordered to analyse the design of the national system.

The Post Office regards the London service as having worked extremely well, and Sir William Barlow, the corporation's chairman, has hastened along the inception of the national service.

However, it will be competing with established networks of pagers, especially that run by Aircall, which covers much of the UK (though with fewer channels) and offers the facility for transmitting voice messages to the pager.

Collecting VAT costs £500m

By Our Consumer Affairs Correspondent

AN estimated £500m a year is spent by industry and commerce on collecting and accounting for VAT, the Business Equipment Trade Association claimed yesterday.

In addition the Association claimed that up to a third of the £500m was wasted because it represented tax invoicing between traders registered for VAT.

The claims are made by the Association in evidence to a Treasury working party set up to consider the effects of eliminating such tax transactions between registered traders.

Although simplyifying the tax structure would hit the business equipment manufacturers—since more complex taxes usually require more sophisticated business machines—the submission is aimed at supporting "any action which can be taken to reduce costs falling on British companies which merely reduce their competitiveness without providing any benefits in return."

The submission points out that the estimated £500m cost to industry is additional to the £85m the Government itself has estimated as the cost of administering VAT. Net receipts of VAT in 1977-78 were £4,235m, the submission adds.

Textile driers to work together

STRALFIELD International of Reading and Dawson International of Selkirk are to work jointly in the manufacture and development of radio frequency textile drying equipment, in particular, package drying equipment.

The sales and marketing of this equipment will be carried out by Strayfield International and its subsidiary companies, together with Strayfield's appointed agents. Future developments could well be radio frequency package dyeing, giving known advantages in quality and cost savings.

Scheme will give tenants better mobility

A SCHEME providing more mobility for London council tenants will be the subject of a clause in the Housing Bill to be introduced in Parliament in the next few weeks.

At present, all housing authorities have arrangements enabling tenants to move to another council home. This has recently been supplemented by an inter-borough nomination scheme by which one borough can nominate a tenant to another.

Peter Shore, Secretary of State for the Environment, said yesterday: "The GLC has been crucial to mobility. The danger is that its intention to transfer its housing estates to other borough councils would have the effect of reducing opportunities to move.

"That is why I believe it is essential that we have a new and statutory mobility scheme for London which will ensure that the high level of mobility achieved in recent years is maintained."

TRUSTS BUY IN LOAN STOCKS

Between January 24 and 29, Romney Trust purchased at 95 per cent for cancellation £1,022,007 4½ per cent convertible unsecured loan stock, 1973-98, and Raeburn Investment Trust purchased at the same price £840,236 4½ per cent convertible unsecured loan stock, 1973-98.

NORTH AMERICAN NEWS

Record year at United Tech.

BY JOHN WYLES IN NEW YORK

UNITED TECHNOLOGIES, one of America's strongest and most merger minded industrial conglomerates, yesterday reported record earnings for 1978, due to a 25 per cent climb in fourth quarter profits.

Each of the company's principal business segments—power, flight systems and industrial products and services—achieved sales gains of between 8 and 13 per cent last year. This has clearly contributed to a widening of profit margins which became more apparent as the year progressed.

Net income in the fourth quarter rose from $49.58m to $62.03m and fully diluted earnings per share from $1.08 to $1.20. Sales were 19 per cent higher at $1.70bn.

As a result, net income for the year rose 19 per cent to $234.1m, equivalent to $4.76 a share fully diluted, from $195.97m or $4.26 a share. Sales increased 13 per cent; from $5.55bn to $6.26bn. At the year end, the company's order book was 31 per cent higher than the year before at $8.67bn.

In 1978 sales of aircraft jet engines and other power units rose 12 per cent to $2.87bn, aeronautical and space flight systems sales were up 8 per cent to $681.6m., and those of industrial products, ranging from elevators to electricity controls, rose 13 per cent to $2.7bn.

The board of directors has raised the quarterly dividend on the common stock by 5 cents a share to 55 cents a share, increasing the annual dividend rate to $2.20 a share. The dividend is payable March 10 to shareholders of record February 24.

UT's immediate objective is to pull off the $1bn merger with Carrier Corporation, in which it now has slightly more than 50 per cent. Consolidation of the merger is being opposed by the Justice Department which has launched a full anti-trust suit and which has so far prevented UT acquiring the rest of Carrier at least until early next month.

Profit surge at National Steel

By Stewart Fleming in New York

NATIONAL STEEL, the third largest U.S. steel producer, reports that fourth quarter earnings more than doubled, and predicted that 1979 could be a good year for the company.

Most of the major steel companies have been reporting buoyant earnings for the second half of 1978, and National's figures are in line with industry trends.

Fourth quarter net income is up from $16.5m in the same period of 1977 to $38.0m. Sales revenues rose from $769m to $1.05bn.

For the year as a whole National's earnings are $112.4m or $5.85 a share, compared with $60.1m or $3.12 a share in 1977.

Sales revenues rose from $3.2bn to $3.8bn.

Mr. George Stinson, the chairman, said strong demand for steel and the success of the company's cost reduction programme have enabled 1978 earnings to recover from the previous year's level and from the impact of the coal strike in the first half of 1978.

He said that orders and bookings for the first half of 1979 indicate good operating and shipping levels, adding that in the absence of any definite signs of an economic downturn in the second-half of the year and with an anticipated reduction of imported steel, 1979 could be a good year for the company.

Firestone merger under attack

BY OUR NEW YORK STAFF

FIRESTONE TIRE and Rubber's proposed $870m merger with Borg-Warner ran into some anxious and occasionally hostile questioning at the weekend from shareholders who doubted that the terms were good enough.

Mr. Richard Riley, Firestone's chairman, explained the thinking behind the merger at some length to his company's annual general meeting in Akron, Ohio. Although he seemed at times to raise the possibility that it might not go ahead, his principal aim was apparently to suggest that the publicised terms may not be the final ones. He said that the definitive agreement should be ready for a special meeting of shareholders slated for April 24.

He argued that the proposed terms would provide Firestone shareholders with higher income than they could expect from the company's stock for some years and that the combination would give them an interest in a diversified company with prospects for faster growth.

The merger proposals will offer Firestone shareholders the choice between a $16 debenture paying an annual interest of 10 per cent or a convertible preferred share with an annual dividend of $1.30 compared with the current dividend on Firestone ordinary of $1.10.

The most sensitive issue for stockholders is likely to be the conversion rate on the preferred which has been linked with the new joint company's stock market price. The formula has been devised with the aim of preventing a stampede to switch during a stock market boom, but to hold out the prospect of a share in the new company's predicted prosperity.

The merger agreement with Borg-Warner is most commonly attributed to Firestone's problems with its 500 steel-belted radial, some 7.5m of which it is committed to replacing. Mr. Riley said the controversy had cost the company "only a few tenths of 1 per cent" of the replacement tyre market. Some 1.8m of the 500 tyres had so far been exchanged, he added.

Strong upturn at Scott Paper

PHILADELPHIA — Scott Paper, bolstered by a fourth quarter surge in sales and profits that culminated a generally strong year, expects to report sharply higher 1978 profits of about $93.5m, or about $2.41 a share, Mr. Charles Dickey, the chairman and president said yesterday.

In 1977 the paper products company reported earnings, excluding an accounting adjustment credit of $62.1m, or $1.60 a share—a four-year low. A gain of $37.1m from a change in Scott Paper's method of accounting for investment tax credit swelled 1977 net to $99.2m.

He estimates that Scott Paper's 1978 sales rose o about $1.72bn from year-earlier sales of $1.52bn, with every operating division experiencing record sales.

Scott's fourth quarter net is estimated at $32.5m or 84 cents a share on sales of about $465m, an increase over 1977 fourth quarter net earnings of $7.7m or 20cents a share on sales of $399.9m.

The company improved its performance in 1978 despite a three-month strike which crippled a West Coast pulp and paper mill and despite a third quarter writedown of $8.5m or 22 cents a share from the closing of a Detroit mill.

Mr. Dickey said that, in the packaged products division—the company's biggest operation—unit sales climbed approximately 5 per cent over year-earlier sales, because of a growth in sales territory.

New products, such as Cottonelle bathroom tissue, represented over 22 per cent of Scott Paper's volume for the year, up from 14 per cent in 1977. The division's sales volume surpassed its 1977 sales of $1.05bn, he said.

The S. D. Warren division, Scott Paper's second largest operation, "more than doubled" its contribution to corporate profits in 1978 over 1977. It experienced a 9 per cent increase in unit sales, and overall sales topped 1977 sales of $355.1m The division makes printing, publishing, converting and specialty papers.

AP-DJ

More cuts at Genesco with sale of Bonwit

By David Lascelles in New York

GENESCO—the loss-making department store operator, has confirmed plans to sell its 13-strong Bonwit Teller chain to "a major U.S. retailer," though it will not say who.

Last year, the House of Fraser in London was reported interested in the chain, though a deal did not materialise.

On Friday, Genesco announced the sale of the lease on its main Bonwit Teller store, on Fifth Avenue, in Manhattan, to the Trump Organisation, the New York real estate development company, for a sum which it said would add $15m to earnings.

Negotiations for the sale of the remaining stores were said by a spokesman to be active and at an advanced stage with a major unidentified U.S. retailer.

Genesco, based in Nashville, Tennessee, has been in declining health for about 10 years. But nearly two years ago, it hired Mr. Jack Hanigan as the chairman, and he has set about pruning non-profitable operations.

The company made a loss in its last quarter ending October 31, and analysts believe there is a long haul back into steady profitability. Annual net sales are running at about $800m, and are expected to be less than in 1977.

Ashland divests again

ASHLAND OIL, which is divesting itself of its oil and gas properties to concentrate on refining and marketing, is to sell its properties in the Rocky Mountains and in its southwest and southeast regions for about $120.5m in cash, reports our New York staff. The purchaser is Petro-Lewis, the Denver-based exploration company.

Gulf adds to stake

GULF and Western Industries, one of the largest U.S. conglomerates, plans to purchase up to 25 per cent of the equity of Sherwin-Williams, the largest U.S. paint company, writes Stewart Fleming in New York.

INTERNATIONAL CAPITAL MARKETS

Germany sets February bond total at DM950m

BY FRANCIS GHILES

A MAXIMUM of DM 950m-worth of foreign Deutsche Mark bonds will be floated on the West German capital market during the month of February, the German capital markets subcommittee meeting in Frankfurt decided yesterday.

Meanwhile, two new issues, one of DM 150m for the Norwegian national oil company through Deutsche Bank and a DM 100m bullet issue for the Brazilian national electricity utility, Eletrobras through Dresdner Bank, were announced. Both were included in the January calendar of new DM issues.

Indicated terms for the Statoil issue, which has a maturity of 10 years and an average life of eight and one-half years, include a 6½ per cent coupon, which is quite favourable. The indicated coupon on the eight year bullet issue for Eletrobras is 7 per cent and the indicated price 99.

These indicated terms suggest that the return for investors on foreign Deutsche Mark bonds are being brought into line with what they can obtain on German domestic bonds.

Some German bankers would have preferred a slightly lighter calendar of new issues next month. The figure of DM 950m is roughly the same as the effective figure agreed for January, when two issues were postponed.

The new issue calendar will be opened by Deutsche Bank with a DM 50m public issue for Bank of Tokyo. Westdeutsche Landesbank will follow with a DM 100m public offering for an unknown state address (February 7), then Dresdner Bank with a DM 150m public offering for a European state entity (February 12), then Westdeutsche Landesbank with a DM 50m private placement for a corporate borrower (February 13) and a DM 100m for a state borrower (February 19).

Two days later, Dresdner will bring an unknown state borrower to the market for DM 100m and on the February 22, Commerzbank will announce a DM 100m public offering for a state borrower. The calendar will be closed by Deutsche Bank with a DM 200 to DM 250m public offering for a state borrower.

The only other issue next month could be a DM 50m private placement by BHF-Bank. New issues for supranational borrowers are not technically included in the calendar, but it is believed there will be none next month.

The Deutsche Mark foreign bond secondary market did no[t] react one way or the other t[o] the new calendar: more tha[n] the volume of new issues, th[e] terms offered will determin[e] the mood of the market, not t[o] mention what happens in th[e] dollar sector. If the latte[r] rallies strongly, the DM secto[r] will be hit and some issues ma[y] be postponed or cancelled.

Banque Nationale de Paris [is] raising $125m for 12 years i[n] the form of a floating rate not[e]. It will pay an interest of ¼ pe[r] cent over Libor with a min[i]mum coupon of 5½ per cen[t]. This issue will be managed b[y] BNP, Credit Suisse, First Bosto[n] and Caisse des Dépots et Co[n]signations.

Unlike previous occasio[ns] when it has arranged floatin[g] rate notes on its own behal[f] BNP is not sole lead manage[r]. The longer maturity than o[n] previous FRNs and the absenc[e] of an amortisation fund has le[d] BNP to invite two other bank[s] into the lead managemen[t] group.

● The KD10m issue for Con[]panhia Energetica de Sao Pau[lo] (CESP) which was expected [to] be launched last week has bee[n] postponed due to the recent i[n]crease in short term KD intere[st] rates.

Canadian borrowing to increase

BY W. L. LUETKENS

CANADIAN long term foreign borrowing for purposes other than support of the Canadian dollar is likely this year to exceed last year's total of C$3.5bn by a slight margin, according to economists and bankers.

The amount in 1978 was composed of borrowing by provincial governments and utilities of C$1.9bn; municipalities C$50m; and corporate borrowing of C$1.55bn.

On top of that, largely for balance of payments reasons the Canadian federal Government borrowed C$5.6bn, including drawings of C$3bn on lines of credit arranged with banking consortia. The latest move in this direction is the negotiations to raise from Japanese banks, in yen, the equivalent of C$602m, 70 per cent of it in the form of a line of credit.

How the federal Government will proceed during the rest of the year is not really foreseeable, even though there are estimates that a current account deficit of C$4.3bn, following upon C$4.2bn in 1978 is in prospect. The reason for this uncertainty is that short term capital movements are too vola[]tile (though Ottawa is trying t[o] control them by keepin[g] interest rates above those in th[e] U.S. in spite of the flatness o[f] its own economy); and becaus[e] of the great role of the lead[s] and lags in Canadian payments.

Measured against the size of the Canadian economy, borrowing at the present rate should prove sustainable: in spite of a high savings level, Canada always has been an importer of capital for its many capital intensive resource project[s].

U.S. QUARTERLIES

AMERICAN AIRLINES	1978 $	1977 $
Fourth quarter		
Revenue	—	—
Net profits	6.0m	†12.1m
Net per share	0.17	†0.53
Year		
Revenue	—	—
Net profits	134.4m	69.7m
Net per share	4.27	3.11

† Loss

AMERICAN ELECTRIC POWER	1978 $	1977 $
Fourth quarter		
Revenue	620.0m	525.0m
Net profits	52.0m	71.2m
Net per share	0.48	0.69
Year		
Revenue	2.39bn	2.03bn
Net profits	236.3m	235.4m
Net per share	2.26	2.40

AVERY INTERNATIONAL	1978 $	1977 $
Fourth quarter		
Revenue	130.3m	109.7m
Net profits	6.66m	4.29m
Net per share	0.73	0.45
Year		
Revenue	484.4m	423.5m
Net profits	18.01m	15.33m
Net per share	1.94	1.60

CONSOLIDATED FOODS	1978 $	1977 $
Second quarter		
Revenue	1.14bn	768.1m
Net profits	25.66m	23.36m
Net per share	0.79	0.72
Six months		
Revenue	2.2bn	1.55bn
Net profits	52.99m	47.85m
Net per share	1.64	1.47

CONTINENTAL GROUP	1978 $	1977 $
Fourth quarter		
Revenue	952.7m	863.6m
Net profits	7.96m	26.80m
Net per share	0.14	0.70
Year		
Revenue	3.9bn	3.7bn
Net profits	126.2m	144.2m
Net per share	3.47	4.45

COX BROADCASTING	1978 $	1977 $
Fourth quarter		
Revenue	67.5m	51.1m
Net profits	10.3m	7.2m
Net per share	1.56	1.08
Year		
Revenue	230.4m	186.4m
Net profits	33.8m	25.5m
Net per share	5.07	4.11

FLORIDA POWER AND LIGHT	1978 $	1977 $
Fourth quarter		
Revenue	40.29m	40.05m
Net profits	58.19m	47.82m
Net per share	1.20	1.02
Year		
Revenue	1.65bn	1.46bn
Net profits	211.2m	180.4m
Net per share	4.54	3.81

GENERAL PORTLAND	1978 $	1977 $
Fourth quarter		
Revenue	65.0m	52.1m
Net profits	5.39m	2.37m
Net per share	0.78	0.35
Year		
Revenue	245.8m	198.6m
Net profits	17.17m	8.01m
Net per share	2.51	1.18

GOULD INCORPORATED	1978 $	1977 $
Fourth quarter		
Revenue	483.1m	433.3m
Net profits	25.55m	25.18m
Net per share	0.90	0.92
Year		
Revenue	1.86bn	1.62bn
Net profits	101.03m	92.84m
Net per share	3.57	3.38

JOHNSON CONTROLS	1978 $	1977 $
Fourth quarter		
Revenue	309.7m	148.0m
Net profits	21.96m	11.97m
Net per share	1.58	1.38
Year		
Revenue	599.3m	372.8m
Net profits	37.2m	23.9m
Net per share	3.75	2.76

KAUFMAN AND BROAD	1978 $	1977 $
Fourth quarter		
Revenue	145.0m	107.8m
Net profits	9.5m	6.3m
Net per share	0.59	0.40
Year		
Revenue	485.0m	381.6m
Net profits	22.6m	15.6m
Net per share	1.35	0.95

KRAFT INCORPORATED	1978 $	1977 $
Fourth quarter		
Revenue	1.45bn	1.35bn
Net profits	43.69m	34.54m
Net per share	1.56	1.24
Year		
Revenue	5.67bn	5.24bn
Net profits	184.00m	154.11m
Net per share	6.57	5.51

TRANS UNION CORPORATION	1978 $	1977 $
Fourth quarter		
Revenue	212.5m	205.3m
Net profits	14.61m	14.02m
Net per share	1.22	1.17
Year		
Revenue	772.0m	730.0m
Net profits	53.79m	48.02m
Net per share	4.52	4.00

U.S. GYPSUM	1978 $	1977 $
Fourth quarter		
Revenue	361.0m	318.2m
Net profits	25.25m	20.70m
Net per share	1.46	1.14
Year		
Revenue	1.40bn	1.18bn
Net profits	109.17m	69.76m
Net per share	6.02	4.28

U.S. INDUSTRIES	1978 $	1977 $
Fourth quarter		
Revenue	348.0m	321.0m
Net profits	12.6m	9.9m
Net per share	0.42	0.29
Year		
Revenue	1.3bn	1.3bn
Net profits	50.0m	43.0m
Net per share	1.62	1.25

WISCONSIN ELECTRIC POWER	1978 $	1977 $
Fourth quarter		
Revenue	198.1m	182.4m
Net profits	12.02m	12.97m
Net per share	0.65	0.71
Year		
Revenue	752.6m	669.9m
Net profits	64.27m	61.11m
Net per share	3.50	3.36

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FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on January 29

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of th[e] mid-price; the amount issued is in millions of currenc[y] units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless other[]wise indicated. M=Minimum coupon. C.dte=Dat[e] next coupon becomes effective. Spread=Margin abov[e] six-month offered rate for U.S. dollars. C.cpn=Th[e] current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless other[]wise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed i[n] currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective pri[ce] of acquiring shares via the bond over the most recen[t] price of the shares.

CAPITAL SPENDING AT BMW

Reinforcing the marque

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

WEST GERMANY'S Bayerische Motoren Werke (BMW) will spend DM3bn ($1.6bn) on its car business over the next three to four years. BMW plans to renew its model range and modernise production, adding a little to capacity at the same time.

In 1978 the group sold all the 320,000 cars it produced and entered the New Year virtually without any stock. This compared with production and sales of 296,000 in 1977.

BMW beat its production target in spite of the metalworkers' strike forcing its plants to close for four days with the loss of over 1,000 cars a day. The shortfall was made up by overtime working and this had its effect on profitability.

So, although 1978 proved to be the best year for production in BMW's history, the figures to be published in February will show profits below the targeted level.

Turnover was around DM6bn ($3.22bn) against DM5bn ($2.3bn) in 1977, while net profits have emerged marginally better than the DM125m ($67m) achieved in 1977.

According to Mr. Hans-Erdmann Schönbeck, the sales director, BMW will build up production to between 380,000 and 390,000 passenger cars a year by 1985.

At this level the group believes the exclusivity of the cars would be retained while it could get more benefits from economies of scale. However, it might be necesary to go up to 400,000 at some stage, said Mr. Schönbeck.

Last year, 49 per cent of car output was sold in West Germany and this should decline slightly to 47 per cent by 1985. BMW aims to capture 6 per cent of its domestic market and hold sales at that level.

Car output at BMW is to be increased by something like a fifth over the next six years providing the West German manufacturer with economies of scale while not interfering with what the company believes is the exclusivity of its range of models.

In 1978 it estimates it had 5.9 per cent, up from 5.6 per cent in the previous year. BMW's German sales moved ahead by 10 per cent in 1978 in a buoyant market which improved 4 per cent to total 2.62m cars.

BMW's main concentration in export markets recently has been in the U.S. where it took over its own import organisation three years ago and has been *strengthening the dealership* network. Some 33,000 cars were delivered to the U.S. last year (sales probably reached 33,000) and the 1979 target is 36,000.

In 1980 BMW expects to deliver 40,000 cars and have 400 dealers in the U.S. and to keep sales at around that level—as with the policy in the home market the idea is that the exclusivity of the marque should not be disturbed.

In this connection, although Italy is the major European export market, taking 19,000 BMW cars last year with 21,000 expected to be sold there in 1979, those totals still represent less than 1 per cent of the car market.

The *biggest* European percentage increase this year will be in the UK, which has been allocated 13,200 cars against 10,892 in 1978 and 9,449 the previous year. By 1985 BMW expects UK sales to reach 20,000 a year.

Apart from Sweden, the UK is *the only volume market in* which BMW does not handle its own imports through a wholly-owned subsidiary and it is widely accepted that Britain eventually will follow the usual pattern.

Significantly, Tozer Kemsley and Milbourn (Holdings), the international trading and finance group which owns BMW Concessionaires, the UK importing organisation, two years ago set up a second specialist vehicle import organisation to handle Jeep and Daihatsu four-wheel-drive vehicles and at the time this was seen as an organisation which could help fill the gap should the BMW business be lost.

The main constraint on BMW's output is engine production and a major part of the investment programme will be devoted to further modernisation of the Munich plant where engines are produced currently at the rate of 1,500 a day.

Output of the new M60 small six-cylinder engines, launched in September, 1977, will be lifted from 600 to 620 a day by August this year while 25 a day will be added to the output of the big six-cylinder engines, currently produced at the rate of 360 a day, and there will be further increases in 1980. (Some 550 four-cylinder engines a day are also produced at Munich.)

This represents a gradual increase but, as Mr. Schönbeck pointed out, "this is a period of consolidation which we need after the growth of the past few years."

Heavy dealings in Volvo

By William Dullforce in Stockholm

DEALINGS in Volvo shares were about three times as heavy as usual on the Stockholm *Stock* Exchange yesterday following the suspension of trading on Friday before the Board announced that it was abandoning its plan to sell 40 per cent of the company to Norway. Starting at SKr 89, the shares eased to SKr 85 before closing at SKr 87.50.

Most commentators had expected the shares to rise, should the small shareholders succeed in defeating the Board over the Norwegian deal. But the market seems to have reacted more strongly to the preliminary results for 1978, which were published simultaneously on Friday.

A continuing low share price—Volvo was quoted at around SKr 150 in the early part of 1976—will not facilitate the raising of new equity on the Swedish market, to which Volvo is now forced to turn after the collapse of its Norwegian venture.

However, a novel suggestion *from the Langenskioeld* finance house that Volvo should issue index-linked shares, similar to those successfully launched last year by Svenska Handelsbanken, has won interest and support from some of Volvo's institutional shareholders, including several critical to the Norwegian deal.

Langenskioeld estimates that Volvo could raise SKr 360m ($82.7m) through an issue of index-linked shares. Handelsbanken's shares are linked to the consumer price index. Langenskioeld suggests that the Volvo shares *might* be linked to its employees' wages.

The small shareholders' victory has been more *complete* than was indicated by the Volvo Board on Friday. Yesterday the Shareholders' Association SARF announced that the final figures communicated to it from company headquarters in Gothenburg showed that it had collected 16,472 proxies, representing 2,638,000 shares and 1,255,000 votes from shareholders opposed to the Norway agreement.

Shareholders wanting to vote for the Norwegian deal had given SARF 1,327 proxies representing 111,000 shares and 52,000 votes. To these must be added the 34,612 proxies collected by the Volvo Board, which represented 2,811,000 shares and 1,283,000 votes.

Capital changes at Montefibre

BY PAUL BETTS IN ROME

MONTEFIBRE, the financially troubled synthetic fibres and textiles subsidiary of the Milan-based chemicals conglomerate Montedison, plans to write down its capital from L117bn to L65bn and subsequently raise it to L115bn ($138m).

The proposal, to be put to an extraordinary meeting of shareholders at the end of next month, reflects the continuing financial difficulties and heavy losses of Montedison's largest subsidiary despite signs of a market recovery in both the textiles and chemicals sector.

Montefibre remains the biggest thorn in the side of the Milan group which lost some L500bn in 1977 and expects to report heavy if more contained losses up to 1980. Proposals to restructure and rationalise Montefibre's operations by merging its fibres activities with those of Snia Viscosa in which Montedison holds the single largest stake are still blocked at government level.

The current recovery in some of Montedison's main activities were disclosed to the Financial Times yesterday and show a 7 per cent increase in the group's net sales revenue last year compared to the previous year. Sales revenue totalling last year some L6655bn had picked up towards the end of the year. Net sales last month amounted to L613bn.

While sales in the group's basic petrochemicals division dropped by 5 per cent to L1015bn, sales by foreign subsidiaries increased by 12 per cent to L955bn, by 8 per cent in the plastics division to L1046bn and in all other major sectors including the parent company's textile division where sales rose by 6 per cent to L561bn.

The most impressive increase were recorded by the agricultural products division (21 per cent), pharmaceutical products (18 per cent), and engineering (21 per cent). Exports accounted for as much as 45 per cent of total turnover.

These increases, however, must be set against an inflation rate currently running in Italy at an annual rate of about 12 per cent.

Astra earnings growth in line with forecast

BY OUR NORDIC EDITOR

ASTRA, THE Swedish pharmaceuticals group, reports 16 per cent growth in pre-tax earnings to around SKr 135m ($31m) for 1978. Sales climbed by the same percentage to just over *SKr 2bn ($467m).*

The profit is bang on the forecast made at the beginning of the year by the managing director, Mr. Ulf Widengren. As anticipated, earnings growth slowed down slightly in the last four months because of the heavy marketing investments made by the group abroad.

Capital investments amounted to around SKr 150m last year. Five new research laboratories were brought into operation in Sweden and a new production plant was completed in West Germany.

Astra's result takes on an even better hue when adjustment is made for the two subsidiaries sold during the latter part of 1978, and a third disposed of earlier this month. The remainder of the group boosted sales by 20 per cent *and turned in 23 per cent profit* growth during 1978.

Group sales are expected to fall just under the Skr 2bn mark this year which would imply a growth of between 14 and 17 per cent. Profits are expected to rise to within the SKr 145-155m bracket.

A further strong expansion in the international marketing organisation is planned and investment spending during the year is again forecast to be around SKr 150m. The group held liquid assets at the end of the year amounting to some SKr 145m, of which only SKr 25m came from disposals.

Total sees stronger cash flow

By David White in Paris

THE TENTATIVE recovery of France's Total oil group is confirmed by indications of a stronger cash-flow last year. M. Rene Granier de Lilliac, chairman of Compagnie Francaise des Petroles, the parent company, told employees that group net profit would be slightly up on 1977s and that cash-flow would show a more marked improvement after stagnating up to the beginning of the year.

In 1977 the Total group, France's largest oil concern, showed a net profit of FFr 260m ($61m), up from FFr 166m the previous year, when consolidated results stayed in the black thanks only to minority interests. Cash-flow in 1977 showed no improvement on the previous year's level of FFr 2.87bn, but in the first half of last year the level improved to FFr 1.66bn from FFr 1.49bn in the same 1977 period.

M. Granier de Lilliac stressed that the outlook was still uncertain in many ways and that the recovery was of modest proportions. The group's results were greatly affected by currency fluctuations and particularly by the decline of the U.S. dollar against the French franc.

Cie Francaise des Petroles raised FFr 588m in new capital last summer in order to strengthen its financial base, eroded by the problems of its refining operations.

The French government holds 35 per cent of the shares and controls 40 per cent of the voting rights.

Dutch banks lift rates

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH BANKS plan to start calculating interest payable on current and savings accounts on a daily basis. The move, which will come into effect in April, could increase interest payments to customers by Fl 80-100m ($40-50m) a year.

At present most Dutch banks pay interest on a half monthly basis. Interest on a payment made into a savings account is credited from the following half monthly period, while interest on current accounts is based on the lowest level of the account in the preceding half month.

The decision to change basis *of calculation was announced by* the general banks, the savings banks and Centrale Rabobank. The general banks together have 1.8m current account holders while banks affiliated to the Centrale Rabobank have a further 2.3m.

Among the reasons for the move is the growing competition from the post office Giro and cheque service which is already in the process of introducing a similar method of calculating interest for its savings account holders. The automation of banking over the past few years now means daily calculation are both possible and relatively inexpensive.

Income boost for Swiss insurance group

BY JOHN WICKS IN ZURICH

THE CONSOLIDATED premium income of the Baloise Holding Insurance Group, of Basle, increased last year by 3 per cent to some SwFr 1.3bn ($772m). Premiums of the two major subsidiaries, The Baloise Insurance Company and The Baloise Life Assurance Company, went up by 3 per cent each, while turnover of the French subsidiary Cordialite-Baloise rose by only 5 per cent in terms of French francs.

The claims situation was, according to an interim report to shareholders, satisfactory. No major problems were presented by the exchange-rate development, although capital earnings suffered from falling interest rates. Baloise Holdings is expected to pay an unchanged SwFr 14 dividend, since both Swiss subsidiaries expect unaltered dividend distribution.

For 1979, the Baloise Group expects a further rise in premium income and another satisfactory underwriting result. Capital earnings are, however, expected to be depressed again owing to the interest situation, particularly in the life-assurance sector.

* * *

The Zurich-based airline Swissair last year carried 6.85m pasengers, a rise of 4.6 per cent over 1977, with seat occupancy rising over the year from 60.7 per cent to 62.5 per cent—the highest rate since 1956. Growth rates of over 10 per cent were recorded for the airline's North American, Far Eastern and African routes.

Swissair, whose total transport offer increased by 6.6 per cent to 2.33bn tonne-kilometres in 1978, also booked a 14.5 per cent increase for its freight traffic. In the case of South American and African services, this freight growth exceeded 20 per cent.

At the end of the year, Mr. Armin Baltensweiler, the Swissair chairman, had indicated that the growth rate had been considerably higher than budgeted. Net profits, however, would be down again to somewhere between SwFr 42.9m and SwFr 43.9m, although this is still the third highest this decade.

* * *

Banca Del Gottardo, of Lugano, had an unchanged net profit of SwFr 30.1m ($12m) for last year. The bank's board is to recommend distribution for the year of an unaltered dividend of 10 per cent on capital of SwFr 75m, with SwFr 12.5m to be transferred to reserves. Total own funds will therefore rise to SwFr 224.4m, including share capital, SwFr 148m of reserves and carried-over profit.

The bank, whose balance sum rose by 8 per cent in 1978 to SwFr 2.14bn, has announced the floating of a SwFr 40m bond issue from January 31 to February 5.

* * *

Turnover of the holiday-apartments specialist concern Swiss Chalets-Inter Home AG, Zurich, rose by 20 per cent over the 1977-78 financial year to SwFr 66.1m (SwFr 55.1m) following a 30 per cent rise in bednights over the same period ending September 30. The organisation, which handled 246,348 customers—a rise by one-third over 1976-77—had an increase in cashflow by 26 per cent to SwFr 687,000 for the year. Swiss Chalets-Inter Home currently works with 22 agencies.

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

INTEREST RATES

Doubt over Australia's falling rates

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government has pinned itself into a difficult corner over interest rates.

Since September, 1977, the Government has steadily manoeuvred official bond rates lower, with the long-term rate—the benchmark for interest rates generally—coming down from 10.5 per cent to 8.8 per cent.

The last reduction was in November when the long-term bond rate was cut from 9 per cent to its present level, apparently to enable Prime Minister Malcolm Fraser to fulfil a prediction made 12 months earlier that interest rates would fall by 2 per cent by December, 1978.

That prediction was largely self-fulfilling, as it encouraged investors to buy bonds with the certainty of capital profits through falling yields, which in turn enabled the authorities to justify further interest rate reductions because of solid subscription.

The posture maintained by the authorities is that they only respond to market forces, but this is not the case.

Government loans are at regular intervals and target levels are not set. There is no tender, or tap, stock system, where rates are determined by market response. A major reason the government can operate this way is because it has a large captive market in the major institutions, such as the life offices and pension funds. The institutions can gain tax concessions if they place at least 30 per cent of their funds into government securities, of which 20 per cent must be in government bonds.

This is a major reason why the gap between government yields and commercial interest rates is so wide in Australia. The long-term corporate interest rate at present is between 10 and 10.5 per cent.

Despite its captive subscribers the government has managed to get itself into difficulties. There is a widespread view that the November bond rate reduction was not justified. In fact the market is simply not prepared to accept the official yield structure, and bond deals are still going through at yields of 9 per cent, and slightly higher.

On this occasion there is plenty of stock available because investors overbought when rates were still clearly headed down. If the authorities attempted to hold the official yield curve by buying bonds, they would be rushed with sellers, which would create deficit-funding problems.

In fact the government still needs to raise around A$200m more if it is to fund the forecast deficit of A$2.8bn without resorting to the printing presses . . . The betting is the government will forego a cash loan and make a conversion offering for maturing bonds.

In fact the government still needs to raise around A$200m more if it is to fund the forecast deficit of A$2.8bn without resorting to the printing press. Moreover, there is a definite posibility that the deficit will overshoot by between A$200m and A$500m, thus aggravating the problem.

If the government goes ahead with a cash loan in February it would almost certainly result in an embarrassingly small subscription. To have any chance of raising funds of any magnitude the government would need to increase interest rates, but this would have an adverse psychological impact on the market.

The more likely course is that the Government will forgo a cash loan and simply make a conversion offer for maturing bonds—most of the stock has already been bought by the Reserve Bank. This would enable the Government to stick with its current rate structure while avoiding the embarrassment of a flop, but it will do nothing to solve its budgetary problems. If the Government ducks the issue at this stage it would only leave the May loan in 1978-79 to seek cash subscription, but that is even more unlikely as the seasonal liquidity rundown for tax payments is most severe in the April-June quarter.

The alternatives for the Government, besides the printing press, are unpalatable. It can either try to increase revenue, through the impositio[n] of additional taxes, or furthe[r] reduce its own spending, whic[h] would be difficult in the curre[nt] situation of high unemploymen[t].

The corporate sector, how[ever], has already made its ow[n] judgment on interest rates.

Industrial companies ha[ve] followed the bond rate mov[e]ments, and the corporate lon[g] term rate had fallen fro[m] around 12 per cent in late 19[77] to the point where the country['s] premier borrower, Broken H[ill] Proprietary, became the fir[st] company for several years [to] seek long-term funds below [10] per cent.

But BHP and a number [of] other quality corporate bo[r]rowers, such as John Lysag[ht], Australian Consolidated Indu[s]tries and Ford of Austral[ia] have found the going toug[h]. BHP only managed to reach [its] underwritten target of A$[...] with the aid of two Governme[nt] associated bodies, which put [in] $A30m, and fell well short [of] the total sought of A$100[m]. Lysaght, ACI and Ford [also] suffered shortfalls, and [it] appears that any compan[y] which might be prepared [to] test the water at present wou[ld] need to offer between 10.25 p[er] cent and 10.5 per cent.

Indian Oxygen falls

BY P. C. MAHANTI IN CALCUTTA

PRE-TAX PROFITS of Indian Oxygen—the Indian offshoot of British Oxygen of the UK, which has ceased to be a foreign controlled company with a disinvestment bringing the foreign holding down to 40 per cent—dipped sharply, to Rs 31.6m ($4m), in the year to September. The profit the previous year was a little more than Rs 51m.

The impact of severe power shortages in some parts of the country, of industrial unrest affecting the customers, especially in the western and southern parts, and of slack demand in certain sectors of the economy has had an adverse effect on sales, said Mr. K. D. Moore, the chairman. Loss of production and incrased operating costs from power interruptions and shortages, it is calculated, caused a profit loss of upwards of Rs8m which could not be recovered, as a result of cost pressures all round.

The chairman is disappointed that the Indian Government has not yet given its approval to the company's major diversification project—to make a range of castor based chemical products.

Israeli bank boosts profit

BY L. DANIEL IN TEL AVIV

DEVELOPMENT and Mortgage Bank—a subsidiary of the Discount Bank, Israel's third largest commercial bank—reports a net profit for 1978 of I£52.2m ($3m), a rise of 87.8 per cent on 1977. Net profit before adjustments of accounting practices for tradable bonds, was up by 44.4 per cent.

Ordinary income—interest gains in index-linked bonds and exchange rate differentials, commissions on loans—came to I£1.75bn in 1978 against I£1.09bn a year earlier.

Paid up share capital rose by I£37.25m to I£90.4m after a 25 per cent scrip issue, the flotation of new shares last July and the conversion of debentures.

● Urdan Metallurgical Industries, a subsidiary of CLAL, Israel's largest investment company, intends to raise I£110m ($6.3m) of new capital on the Tel Aviv Stock Exchange by the issue of I£1 and I£5 ordinary shares—to be sold at 340 per cent of the nominal value—together with options.

Singapore plant for Matsushita

By Richard C. Hanson in Tokyo

MATSUSHITA Electronics Corporation, a joint venture between Matsushita Electric Industrial and Philips, has decided to build its first overseas semi-conductor plant in Singapore, capitalised at S$6m (US$2.8m).

The parent company also said that it has established a wholly-owned subsidiary in Singapore to supply equipment to its 13 affiliates in South-east Asian countries. The new company, Singapore Matsushita Technical Center, capitalised at S$1m, will construct a plant and operate a technical training centre for local engineers.

Matsushita Electronics will, from May, begin manufacturing products including silicon transistors and integrated circuits. The company was established in 1952, with Philips holding a 35 per cent share, and the Matsushita parent the remaining 65 per cent.

Shiseido slackens

BY YOKO SHIBATA IN TOKYO

SHISEIDO, Japan's top manufacturer of cosmetics, experienced slow growth in both sales and profits for the fiscal year to November.

Despite the company's aggressive sales strategies, sales rose by only 6 per cent to Y265.7bn. By products, cosmetics accounted for 86.7 per cent of turnover and soaps for 9 per cent.

Favourable developments such as a fall in raw material costs and the effect of production line rationalisation were cancelled out by a price markdown in cosmetics. The ratio of costs to sales rose by 0.5 per cent to 48 per cent, thus blun[t]ing the growth rate of curre[nt] profits, up by only 2 per ce[nt] to Y22.5bn. Net profits we[re] Y9.7bn ($48.5m), 3.6 per ce[nt] more than a year ago.

For the current fiscal ye[ar] Shiseido expects cosmetic sal[es] to grow by 7 per cent aft[er] putting its main stress on sa[les] expansion of higher-grade c[os]metics. However, the compa[ny] faces rising raw material pric[es] among other difficulties.

Sales are predicted to tot[al] Y282bn, up 6 per cent, wi[th] current profits at Y23bn.

Sterling improves

Sterling showed a firmer tendency against most major currencies in yesterday's foreign exchange market, although trading was described as dull with no real volume. Behind sterling's rise was the possibility of a settlement to the lorry drivers' strike, and although the industrial outlook remained far from rosy, the drivers' dispute was seen as probably the most damaging to the economy. On Bank of England figures, the pound's trade weighted index rose to 63.4 from 63.3, having touched 63.5 at noon and 63.3 in the morning.

Against the dollar, sterling opened at $1.9920 and eased to $1.9885 before recovering to $1.9930 by noon. With the U.S. currency tending to ease during the afternoon, sterling rose to $1.9965 and closed at $1.9945-1.9955, unchanged from Friday.

The dollar improved during the morning probably reflecting demand ahead of the U.S. trade figures for December. In the afternoon it began to ease a little and finished on or above the middle of its day's range. Against the D-mark it touched DM1.8660 but closed at DM1.8605 compared with Friday's close of DM1.8540. The Swiss franc was weaker at SwFr 1.6880 although this was near the dollar's worst level of SwFr 1.6890, against SwFr 1.6845 previously. The Japanese yen eased through the Y200 level to close at Y200.20, having declined to Y200.60 during the day and compared with Y199.55 on Friday.

Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed to 8.3 per cent, its best level this year and compared with 8.5 per cent on Friday. On Bank of England figures, its index rose from 84.3 to 84.4.

NEW YORK—Early trading saw very little activity but the dollar improved against most currencies, with the exception of sterling, where the latter improved on a slightly better look to recent industrial unrest. The pound was quoted at $1.9940 compared with $1.9930 on Friday, while the D-mark eased to DM1.8625 from DM1.8550 and the Swiss franc fell to SwFr.1.6880 against SwFr1.6855.

FRANKFURT—The dollar was fixed at DM1.8645 yesterday, compared with DM1.8522 on Friday, as many people looked towards the announcement today of U.S. trade figures for December with some degree of optimism. After opening at DM1.860, the U.S. unit improved in fairly quiet trading to touch DM1.8668 at one point.

PARIS—Conditions were generally calm, with the dollar showing a weaker tendency against most major currencies. However, this reflected a certain amount of profit-taking and the U.S. unit still showed an improvement on its opening level. In terms of the French franc, it was quoted at Fr4.2732½ from Fr4.2825 earlier in the day, but still above its opening level of Fr4.272½ and Friday's rate of Fr4.2525. Sterling improved against the franc to Fr.8.5240 from Fr8.4760 while the D-mark was stronger at Fr2.2961 against Fr2.2937 previously.

MILAN—The current troubles experienced by the Italian government were not cited as the cause for the lira's sharp decline against the dollar yesterday. Dealers claimed that demand for the U.S. unit in respect of import settlements was behind its rise to L841.45 at the fixing, compared with Friday's level of L837.05. This claim was given further substance when the lira showed a better performance against most European currencies. The dollar's rise came despite the Bank of Italy's action in selling most of the $16.9m traded at the fixing as well as intervention during the morning. The D-mark was quoted at L451.44 down from L452.0 and the Swiss franc was also weaker at L497.13 against L497.80.

AMSTERDAM — The dollar was fixed at Fl 2.0125 yesterday against Fl 1.9985 on Friday. In later trading the U.S. unit was quoted lower at Fl 2.0090.

TOKYO — Following on its improvement on Friday, the dollar gained further ground against the yen and closed at Y199.825 compared with Y199.175 previously. For the first time this year the U.S. currency moved above the Y200 level and during the day it touched Y200.60. In afternoon trading, there was a little pressure on the dollar and the Bank of Japan also intervened in support of its currency which brought the dollar back down below Y200 at the close. However sentiment for the rest of the week appeared to be bullish.

THE POUND SPOT

Jan. 29	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9885-1.9965	1.9945-1.9955
Canadian $	11¼	2.3715-2.3830	2.3810-2.3820
Guilder	6½	3.99½-4.02½	4.00½-4.01½
Belgian F	6	58.30-58.65	58.40-58.50
Danish K	8	10.26-10.31	10.27-10.28
D mark	3	3.70-3.73	3.71-3.72
Port. Esc.	18	93.60-94.60	94.05-94.65
Span. Pes.	8	139.05-139.60	139.50-139.60
Lira	10½	1.672-1.679	1.677-1.678
Nrwgn. K.	7	10.17½-10.23	10.18-10.19
French Fr.	9½	8.50½-8.55	8.51½-8.52½
Swedish Kr.	6½	8.71-8.75	8.72-8.73
Yen	3½	395-405	398-401
Austria Sch	3¾	27.15-27.25	27.18-27.23½
Swiss Fr.	1	3.36-3.38½	3.36½-3.37½

Belgium rate is for convertible francs. Financial franc 60.60-60.70.

FORWARD AGAINST £

	One month	% p.a.	Three months	% p.a.
U.S. $	0.47-0.37c.pm	2.53	1.32-1.22c.pm	2.55
Canadian $	0.50-0.40c.pm	2.27	1.40-1.30c.pm	2.27
Guilder	2-1c.pm	4.49	6⅝-5⅝ c.pm	5.66
Belgian F	25-15 c.pm	4.11	75-65 c.pm	4.79
Danish K	2orepm-par	1.17	2½-1½ore pm	0.58
D mark	3⅛-2⅛ pf pm	8.48	9-8 pf pm	9.15
Port. Esc.	45-115 c.dis	−10.18	60-260 c. dis	−6.79
Span. Pes.	par-50 c. dis	−2.15	60-160 c. dis	−3.15
Lira	par-5 lire dis	−1.07	par-3 lire dis	−0.36
Nrwgn. K.	7½-5½ ore pm	7.66	16½-15½orepm	6.18
French Fr.	3¾-2¾ c.pm	4.58	10½-9½ c. pm	4.58
Swedish Kr.	4-2 ore pm	4.13	11½-9½ ore pm	4.93
Yen	3.85-3.55 y pm	11.10	10.85-10.45 y pm	10.66
Austria Sch	22-12 gro pm	7.50	55-45 gro pm	7.35
Swiss Fr.	3⅝-2⅝ c. pm	11.15	11-10 c. pm	12.46

Six-month forward dollar 2.35-2.25c pm. 12-month 4.30-4.20c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	1.9885-1.9965	1.9945-1.9955	0.47-0.37c pm	2.53	1.32-1.22c pm	2.55
Ireland	1.9885-1.9965	1.9945-1.9955	0.47-0.37c pm	2.53	1.32-1.22c pm	2.55
Canada†	83.71-83.87	83.71-83.74	0.06-0.03c dis	−0.61	0.09-0.06c dis	−0.36
Nethlnd.	2.0090-2.0135	2.0090-2.0110	0.48-0.43c pm	2.59	1.72-1.67c pm	3.23
Belgium	29.29-29.39	29.30-29.32	5½-4½c pm	2.00	18-16½c pm	2.33
Denmark	5.1500-5.1675	5.1500-5.1525	0.20-0.70ore dis	−1.05	2.15-2.65ore dis	−1.22
W. Ger.	1.8605-1.8652	1.8605-1.8615	1.03-0.98pf pm	6.73	3.15-3.10pf pm	6.67
Portugal	47.15-47.35	47.15-47.25	27-37c dis	−8.13	50-115c dis	−6.99
Spain	69.86-70.00	69.95-70.00	22-32c dis	−4.97	80-90c dis	−4.92
Italy	840.20-841.90	841.30-841.70	1.75-2.50lire dis	−3.03	5.00-6.00lire dis	−2.61
Norway	5.1060-5.1280	5.1060-5.1075	2.60-2.10ore dis	5.52	4.80-4.30ore dis	3.56
France	4.2700-4.2825	4.2700-4.2725	1.00-0.85c pm	2.60	2.60-2.30c pm	2.29
Sweden	4.3725-4.3865	4.3725-4.3735	1.00-0.80ore pm	2.47	3.00-2.80ore pm	2.65
Japan	200.00-200.45	200.00-200.20	1.50-1.40y pm	9.47	4.20-4.10y pm	8.29
Austria	13.63-13.66	13.63-13.64	6.50-5.50gro pm	5.28	19.00-16.25gro pm	5.17
Switz.	1.6860-1.6960	1.6875-1.6885	1.37-1.32c pm	9.56	4.38-4.33c pm	10.31

† U.S. cents per Canadian $.

CURRENCY RATES

January 29	Special Drawing Rights	European Unit of Account
Sterling	0.646799	0.679845
U.S. dollar	1.28920	1.35517
Canadian dollar	1.53905	1.61860
Austrian schilling	17.4944	18.3700
Belgian franc	37.6704	39.5509
Danish krone	6.62262	6.95202
Deutsche Mark	2.38786	2.50892
Guilder	2.57847	2.70858
French franc	5.48008	5.75947
Lira	1079.06	1134.82
Yen	256.551	269.510
Norwegian krone	6.56006	6.89576
Peseta	89.8782	94.3703
Swedish krona	5.63058	5.90616
Swiss franc	2.17037	2.27586

CURRENCY MOVEMENTS

January 29	Bank of England Index	Morgan Guaranty changes %
Sterling	63.43	−40.8
U.S. dollar	84.40	− 8.3
Canadian dollar	78.74	−18.7
Austrian schilling	146.93	+19.7
Belgian franc	114.86	+15.5
Danish krone	119.22	+ 7.8
Deutsche Mark	150.17	+41.8
Swiss franc	193.53	+81.3
Guilder	124.79	+20.9
French franc	99.69	− 5.8
Lira	54.13	−49.3
Yen	144.48	+42.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Jan.29	£	$		£ Note Rates
Argentina Peso	2,078-2,098	1040-1050	Austria	26½-27½
Australia Dollar	1.7530-1.7590	0.8800-0.8812	Belgium	59-60
Brazil Cruzeiro	42.84-43.84	21.45-21.95	Denmark	10.20-10.30
Finland Markka	7.93-7.94	3.9795-3.9815	France	8.42-8.55
Greek Drachma	71.570-73.320	35.87-36.75	Germany	3.64-3.74
Hong Kong Dollar	9.48½-9.51	4.7570-4.7600	Italy	1,650-1,700
Iran Rial	152.60-162.60	76½-81½	Japan	395-405
Kuwait Dinar (KD)	0.541-0.551	0.2744-0.2746	Netherlands	3.92-4.02
Luxembourg Frc.	58.40-58.50	29.29-29.31	Norway	10.10-10.30
Malaysia Dollar	4.3825-4.4050	2.1990-2.2010	Portugal	90-99
New Zealand Dlr.	1.8890-1.8960	0.9482-0.9505	Spain	140.90-144.90
Saudi Arab. Riyal	6.60-6.70	3.3410-3.3430	Switzerland	3.30-3.40
Singapore Dollar	4.3025-4.3225	2.1590-2.1600	United States	1.9940-1.9990
Sth. African Rand	1.7202-1.7436	0.8622-0.8740	Yugoslavia	39.50-41.75

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Jan. 29	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.995	3.715	400.0	8.520	3.370	4.010	1678.	2.382	58.45
U.S. Dollar	0.501	1.	1.862	200.5	4.271	1.689	2.010	840.9	1.194	29.30
Deutsche mark	0.269	0.537	1.	107.7	2.293	0.907	1.079	451.5	0.641	15.73
Japanese Yen 1,000	2.500	4.988	9.288	1000.	21.30	8.425	10.03	4194.	5.954	146.1
French Franc 10	1.174	2.342	4.360	469.6	10.	3.955	4.707	1969.	2.795	68.60
Swiss Franc	0.297	0.592	1.102	118.7	2.528	1.	1.190	497.8	0.707	17.34
Dutch Guilder	0.249	0.498	0.926	99.75	2.125	0.840	1.	418.3	0.594	14.58
Italian Lira 1,000	0.596	1.189	2.215	238.5	5.079	2.009	2.390	1000.	1.420	34.84
Canadian Dollar	0.420	0.838	1.560	168.0	3.578	1.415	1.684	704.4	1.	24.54
Belgian Franc 100	1.711	3.413	6.356	684.3	14.58	5.766	6.861	2870.	4.074	100.

EURO-CURRENCY INTEREST RATES

Jan. 29	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	11⅛-11⅜	10-10¼	8⅞-9⅛	7⅜-7⅝	par-⅛	1⅛-1⅜	7-7¼	8-12	—	−2⅝-3
7 day's notice	11⅞-12⅛	10⅛-10⅜	8⅞-9⅛	7⅜-7⅝	par-⅛	2⅝-2⅞	7⅛-7⅜	10-11	10⅛-10⅜	−⅞-1
Month	11⅞-12⅛	10¼-10½	10⅝	7⅜-7⅝	par-⅛	5⅝-5⅞	7⅝-7⅞	13-14	10⅜-10⅝	⅞-1⅛
Three months	13⅛-13⅜	10⅞-11⅛	10⅞-11¼	7⅜-7⅝	1/16-3/16	5¾-5⅞	8⅜-8⅝	13½-14½	11¼-11⅝	1⅞-2⅛
Six months	13⅛-13⅜	11⅛-11⅜	10⅞-11¼	7⅜-7⅝	3/16-5/16	4-4⅛	8¾-9	13¾-14¾	11⅛-11⅜	2⅝-3⅛
One year	12⅝-12⅞	11⅛-11⅜	10⅞-11¼	7⅜-7⅝	⅝-¾	4⅛-4¼	9¼-9½	14-15	11 7/16-11 11/16	3-3½

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.20-10.30 per cent; three months 10.50-10.60 per cent; six months 10.95-11.05 per cent; one year 10.95-11.05 per cent.

Long-term Eurodollar deposits: two years 10½-10⅝ per cent; three years 10⅝-10¾ per cent; four years 10 11/16-10 13/16 per cent; five years 10 11/16-10 13/16 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

German call money rate cut

Interest rates continued to ease in parts of Europe yesterday, with call money in Frankfurt falling to 1.0-2.0 per cent, from 3.0-3.4 per cent on Friday. This follows a general easing from the middle of last week onwards, after an earlier rise to around 4 per cent in response to moves by the Bundesbank to try to reduce excess liquidity in the commercial banks. Before the rise in the Lombard rate to 4 per cent, and the increase in minimum reserve ratios, announced on January 18, call money had been around the 3 per cent level. The regulations on reserve ratios will apply from this Thursday.

Period rates were slightly firmer on balance yesterday however, with one-month rising to 4.0-4.1 per cent. Three-month was 4.1-4.2 per cent, compared with 4.1-4.25 per cent on Friday; while six-month was 4.2-4.3 per cent, compared with 4.15-4.3 per cent; and 12-month 4.5-4.6 per cent against 4.4-4.6 per cent.

In Brussels the Belgian National Bank reduced the interest rates on one-month Treasury certificates to 8 per cent from 8.25 per cent; two-month to 8.25 per cent from 8.5 per cent; and three-month to 8.5 per cent from 8.75 per cent. The previous cut in rates was also on January 18, following a move to ease credit conditions, by a reduction in the Lombard rate in Belgium to 8 per cent from 8½ per cent, and a cut in the rate charged on some borrowings.

NEW YORK—Several banks lowered their broker loan rate to 11 per cent from 11½ per cent, starting with Morgan Guaranty Trust, and including Chase Manhattan. The First National Bank of Chicago left its prime rate at 11¾ per cent. Overnight Federal Funds rose to 10⅛-10¼ per cent, from around 10 per cent.

AMSTERDAM — Call money was unchanged at 7¾-8 per cent, and one-month at 8-8¼ per cent.

PARIS — Day-to-day money 6⅜ per cent; one-month 6½-6⅝ per cent; three-month 6⅝-6¾ per cent; six-month 6 11/16-6 13/16 per cent; and 12-month 7 1/16-7 3/16 per cent.

GOLD

Slight rise

Gold showed a slight improvement in the London bullion market yesterday and closed at $235½-236½, a rise of $⅝ an ounce. The metal opened at $235-235½ and was fixed during the morning at $234.05. It touched a low point of $233¾-234¼ but improved at the afternoon fixing to $235.20,

	Jan. 29	Jan. 26
Gold Bullion (a fine ounce)		
Close	$235½-236½	$234¾-235¼
Opening	$235-235½	$234½-235
Morning fixing	$234.05 (£117.518)	$234.35 (£117.557)
Afternoon fixing	$235.20 (£117.895)	$235.45 (£118.091)
Gold Coins, domestically		
Krugerrand	$253½-255½ (£127½-128½)	$253¼-255¼ (£127-128)
New Sovereigns	$66¼-68¼ (£33¼-34¼)	$66¼-68¼ (£33¼-34¼)
Old Sovereigns	$69-71 (£34½-35½)	$68-70 (£34-35)
Gold Coins, internationally		
Krugerrand	$241½-243½ (£121-122)	$241½-243½ (£121¼-122¼)
New Sovereigns	$61-63 (£30½-31½)	$60½-62½ (£30¼-31¼)
Old Sovereigns	$69-71 (£34½-35½)	$68-70 (£34-35)
$20 Eagles	$304-309	$303-308
$10 Eagles	$166-171	$164-169
$5 Eagles	$116-118	$108-113

and in New York it touched $236½-237. The best level seen in London was around $235¾-236¼.

In Paris the 12½ kilo bar was fixed at FFr 31,800 per kilo ($230.90 per kilo) compared with FFr 31,800 ($230.95) in the morning and FFr 31,700 ($231.93) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,010 per kilo ($233.71 per ounce) against DM 13,980 ($234.73) previously.

UK MONEY MARKETS

Exceptional assistance

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

Conditions remained very nervous in the London money market yesterday, with the discount houses more than happy to sell Treasury bills to the authorities, as pressure continues to increase for a general rise in interest rates. Speculation about a rise in Bank of England Minimum Lending Rate in the near future was unabated, while interest rates continued to firm, with the three-month interbank rising to 13⅛-13¼ per cent from 13-13 1/16 per cent.

Day-to-day credit was in very short supply, and the Bank of England gave assistance on an exceptional scale. The authorities bought an exceptionally large amount of Treasury bills, a small number of local authority bills, and a small amount of eligible bank bills from the houses, and also lent a small amount of overnight to three or four houses at LMR. The bank bills will be resold to the market at a fixed future date.

Banks brought forward moderate run-down balances, there was a moderate net take-up of Treasury bills to finance, and a small increase in the note circulation. The market was also faced with a fairly large excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid 10¾-11 per cent for secured call loans at the start, with closing balances taken at 10-11½ per cent.

In the inter-bank market overnight loans opened at 11¾-11⅞ per cent, and rose to 12¾-13 per cent, before closing at 8 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Jan. 29 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ɸ	Eligible Bank Bills ɸ	Fine Trade Bills ɸ
Overnight	—	8-13	—	—	—	12⅛	10-12½	—	—	—
2 days notice	—	—	11¾-12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12½	—	—	—	—
7 days notice	—	11⅞-12¼	12⅛-12¼	—	12½	—	10⅝-11⅛	—	—	—
One month	12 13/16-12 11/16	12⅜-12⅝	12¼-12½	13-13½	12¾	12¾	11⅞	11⅞-11 13/16	12¼-12 5/16	13
Two months	12 15/16-12⅝	12¾-12 [illegible]	—	12¾-13⅝	13¼	—	12	12 1/16	12¾-12¾	13¼
Three months	13⅛-12 15/16	13⅛-13¼	13-13⅛	12¾-13⅝	13⅛	13⅝-13½	12¼-12⅜	12⅛-12 3/32	12 [illegible]-12⅞	13½
Six months	13⅛-13	13 1/16-13¼	12½-13 1/16	12⅞-13¼	13½	—	—	—	12⅝-12⅞	13¾
Nine months	12⅞-12¾	12⅞-13	—	13-13½	13¼	—	—	—	—	—
One year	12¾-12⅝	12 [illegible]-12 [illegible]	12⅝-12⅞	13-13½	13	—	—	—	—	—
Two years	—	—	13-13⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 13-13½ per cent; four years 13¼-13½ per cent; five years 13¼-13⅝ per cent. ɸBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12¾-12⅞ per cent; four-month trade bills 13¾ per cent.

Approximate selling rates for one-month Treasury bills 11 13/16 per cent; two-month 11 15/16 per cent; three months 12 1/16-12 3/32 per cent. Approximate selling rate for one-month bank bills 12 3/16-12¼ per cent; two-month 12⅞-12 27/32 per cent; and three-month 12¾-12 27/32 per cent; one-month trade bills 12⅞ per cent; two-month 13⅛ per cent; and also three-month 13¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from January 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 12.0863 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.75
Fed. Funds	10.1875
Treasury Bills (13-week)	9.36
Treasury Bills (26-week)	9.42
GERMANY	
Discount Rate	3
Overnight Rate	1.5
One month	4.05
Three months	4.15
Six months	4.25
FRANCE	
Discount Rate	9.5
Overnight Rate	6.375
One month	6.5625
Three months	6.6875
Six months	6.75
JAPAN	
Discount Rate	3.5
Call (Unconditional)	4.375
Bills Discount Rate	4.625

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on January 29, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

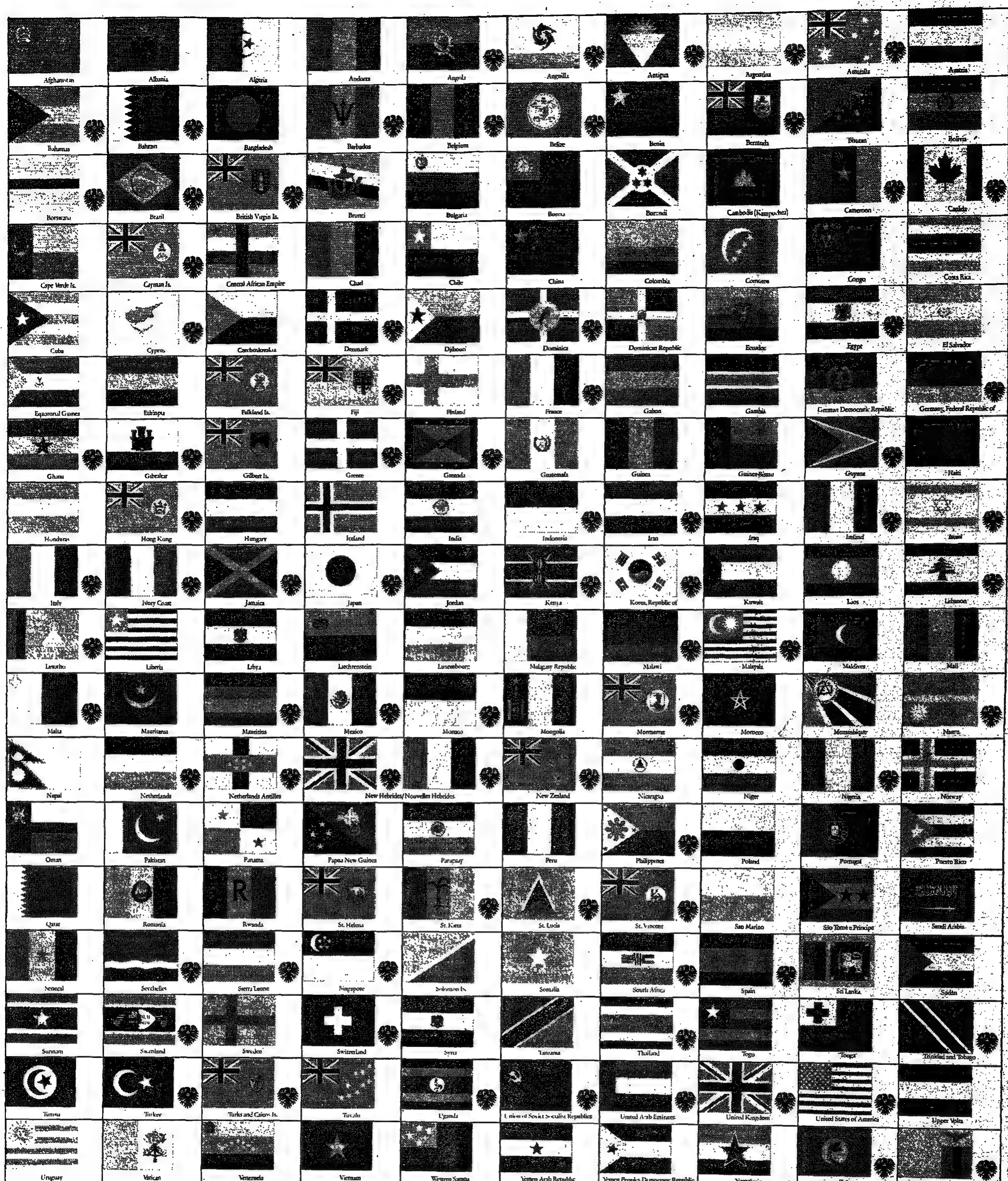
Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territories; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate, no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (exC) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
[illegible]							

*That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. †Rupees per pound. [illegible] and iron exports 83.76. §Based on cross rates against Russian rouble. ¶Rate is the Transfer market (controlled). ††Rate is now based on a Barbados $ to the dollar. [illegible]



Proportions and shades of colour may not always conform exactly to official national specifications.

BARCLAYS INTERNATIONAL'S WORLD OF BANKING

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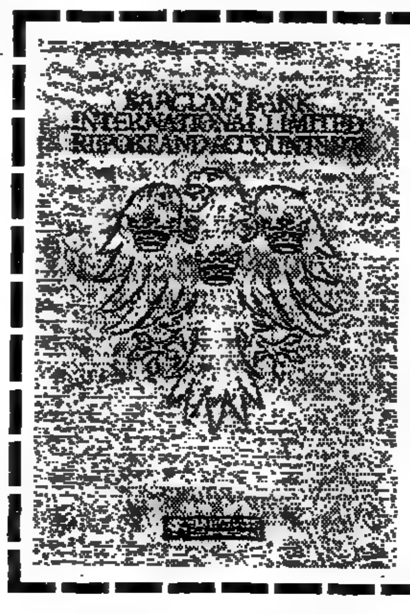
The Barclays eagle marks those countries in which the banks of the Barclays International Group operate.



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Post Code________

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BARCLAYS International

Early Wall St. reaction on profit-taking

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—93½% (92½%)

Effective $1.9950 48¼% (47½%)

PROFIT - TAKING yesterday morning cut into the gains scored by the Wall Street stock market last week and prices tended to decline in moderate trading.

The Dow Jones Industrial Average, up 22 points over the past week, reacted 3.98 to 855.77 at 1 pm. The NYSE All Common

Closing prices and market reports were not available for this edition.

Index relinquished 19 cents to $56.80, while declines at mid-session led gains by a seven-to-six ratio. Turnover amounted to 17.05m shares, well below last Friday's 1 pm level of 24.02m.

Analysts said some investors were also concerned that recent hopes that interest rates may be nearing a peak might not be justified.

Despite that, a number of major banks reduced their broker loan rates to 11 per cent. Last week, Marine Midland Bank cut its broker loan rate to 11¾ per cent from 11½.

Analysts also noted some worries about rising prices. Council of Economic Advisors chairman Schultze warned that food prices will rise significantly this year.

American Express lost ⅞ to $31 after sweetening its proposed bid for McGraw-Hill to $40 a share from $34 previously. McGraw-Hill had yet to trade but closed on Friday at $31⅛.

Gardner-Denver topped the actives list but eased ⅛ to £29⅞. It is the subject of a take-over offer from Cooper Industries, which were unchanged at $46⅝.

United Technologies slipped ⅞ to $38⅝ despite reporting sharply higher fourth-quarter profits and raising the dividend.

Ashland Oil receded ½ to $37¼. Petro-Lewis has agreed in principle to buy Ashland's Exploration Inc. unit for $120.5m in cash. Petro-Lewis, on the American exchange, rose ⅛ to $9¼.

Iowa Beef Processors declined 2¾ to $45¼ despite splitting its stock two for one and doubling the dividend.

American Airlines eased ⅛ to $12⅞ even though it reported a fourth-quarter profit against a loss a year ago.

THE AMERICAN SE Market Value Index shed 0.38 to 161.97 at 1 pm on volume of 1.60m shares (1.95m).

Resorts International "A" headed the actives list but lost ⅞ to $32⅞. The Securities and Exchange Commission has authorised an investigation of the company's financial and proxy statements since 1970.

Among other Amex actives, Syntex receded ⅜ to $37⅞ and Amdahl ½ to $35¼.

Ranchers Exploration advanced $2 to $18¾ after a late start due to an order influx.

Canada

Share prices were inclined to gain further ground in active early trading as positive corporate news overshadowed expected profit-taking.

The Toronto Composite index was 2.7 higher at 1,382.0 at noon. Banks improved 2.67 to 330.81 on index, while Utilities added 0.41 at 200.28 and Papers 0.29 at 158.35, but Golds declined 5.4 to 1,522.1 and Oils and Gas 2.4 to 1,912.1.

Dominion Textile, the most active Toronto issue, rose ¼ to C$14⅝ on 52,800 shares following news that a group of investors intend to purchase a large number of Dominion's shares.

Whonnock Industries "A" gained ⅜ to C$9⅜ and Alberta Natural Gas ½ to C$46¼ after both reported higher annual earnings.

Barymin Exploration picked up 8 cents to C$1.20. The company said financing to bring its subsidiary's Nova Scotia lead deposit into production is near completion.

Tokyo

The market made fresh progress in active dealings yesterday, helped by a sharp dollar appreciation against the yen in Tokyo and a recent recovery in the commodity market.

The Nikkei-Dow Jones Average closed 26.97 higher at 6,192.29, while trading volume came to 520m shares, although this failed to match last Friday's total of 650m. In Saturday's half-day session, there were about 400m shares traded.

Commodity market-related stocks, such as Textiles, Chemicals, and Non-ferrous Metals, gained ground, while investors also bought energy industry-related issues, such as Oil Refiners and Gas Producers.

Middle-class Blue Chips moved higher on meeting demand from investment trusts, with Fuji Photo Film advancing Y32 to Y749.

Export-orientated issues rose initially on dollar considerations, but subsequent profit-taking left mixed movements on balance.

Recently-selected Steels and Heavy Electricals finished lower on profit-taking.

Arabian Oil moved ahead Y160 to Y3,130, Mitsubishi Gas Chemical Y17 to Y238, Mitsui Mining Y24 to Y399, Nisshin Spinning Y10 to Y660, Nippon Oil Y16 to Y706, Teikoku Oil Y20 to Y428, Nippon Yakin Y7 to Y273 and Toyo Soda Y10 to Y172.

In contrast, Pioneer Electronic ended Y20 down at Y1,990 and Casio Y11 off at Y559.

Germany

An early stock market advance later faltered, but stocks still showed a majority of gains at the close, with the Commerzbank index recording a day's rise of 5.5 at 826.5.

Banks were in good form, with Bayerische Vereinsbank gaining DM 4.00, Deutsche Bank DM 2.60 and Dresdner Bank DM 2.20.

Among Machinery Manufacturers, KHD and GHH each rose DM 2.50, while Linde were up DM 2.00.

Elsewhere, Preussag advanced DM 2.30, while Karstadt, in Stores, put on DM 1.50.

However, AEG, in Electricals, shed DM 2.70 following market talk that the concern may alter its capital structure as a result of losses registered in 1978. Siemens eased 90 pfennigs.

Thyssen, in Steels, lost DM 1.50.

Public Authority Bonds sustained further losses ranging to 75 pfennigs. Ahe Regulating Authorities purchased a nominal DM 31.4m of paper, compared with sales of DM 3.4m last Friday. Mark Foreign Loans were steady.

Switzerland

Stocks moved further ahead over a broad front in another active trading session, lifting the Swiss Bank Corporation Industrials index 5.1 to 317.3.

One dealer cited heavy foreign demand, increasing markett liquidity and the dollar's strengthening for the advance. He said a long list of early redemptions for Bonds shows that the liquidity will increase substantially, and interest rates on bonds are inclined lower.

In Banks, Union Bank rose 20 to SwFr 3,295 and Credit Suisse 15 to SwFr 2,335, while among Insurances, Swiss Re-insurance gained 70 to SwFr 5,100 and Baloise 12 to SwFr 510.

Power Plant issue Atel advanced 90 to SwFr 1,310.

Schindler Bearer gained 70 to SwFr 1,750. The Elevator Manufacturer has acquired, subject to U.S. approval, an American elevator group, opening the door to the U.S. market.

Landis and Gyr put on 20 to SwFr 1,150. The engineering company is planning a capital increase.

Among Industrials, the multinationals gained from the weakening of the Swiss franc. Alusuisse Bearer rose 70 to SwFr 1,345, Ciba-Geigy Non-Voting 20 to SwFr 1,040 and Sandoz Non-Voting 20 to SwFr 520. Nestle moved up to SwFr 3,565.

Paris

Shares tended to ease in quiet trading.

Operators cited the continued confused situation in Iran and the reported cancellation of order there for two French nuclear power plants as depressing sentiment, although the market decline was due to the absence of buyers rather than to selling orders.

Oil shares went against the general trend and were mostly marked up, especially Esso, CFP and CFR, while in Banks, Paribas also advanced.

On the other hand, Europe-1 Radio Station lost 7 per cent following news of slightly lower earnings for the fiscal year ended last September.

Sacilor also shed 7 per cent, while others losing ground included Ferodo, Bouygues, CSF, Matra, Prenatal, Radar, Carrefour, Pierefitte, Imetal, Michelin, Peugeot-Citroen and Moet Hennessy.

Australia

Market were closed yesterday for Australia Day.

Johannesburg

Platinum shares featured strongly, continuing last week's uptrend on free market price rises and also receiving a fresh boost from Implat's increase in the producer price yesterday.

In fairly active trading, Rusplat rose 23 cents to R2.95, while Implats were 20 cents firmer at R4.60.

Golds were firmer in a small trade, while Mining Financials moved up in sympathy.

Indices

NEW YORK—DOW JONES

	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 19	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	859.75	854.64	846.41	848.85	838.58	837.49	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.04	84.88	84.49	84.45	84.59	84.20	90.86 (4/1/78)	84.09 (10/1/79)	—	—
Transport.	218.74	218.95	217.25	217.88	217.57	218.66	261.48 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	104.66	103.82	102.67	102.77	102.00	102.40	110.98 (5/1)	97.75 (20/12)	163.32 (30/4/69)	10.58 (28/4/42)
Trading vol 000's	34,230	31,440	31,181	30,150	24,460	26,900	—	—	—	—

● Day's high 865.04 low 853.26

Ind. div. yield %	Jan. 19	Jan. 12	Jan. 5	Year ago (approx)
	5.81	5.80	5.84	5.92

STANDARD AND POORS

	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 19	1978-79 High	1978-79 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	113.64	112.82	111.62	112.71	111.41	111.15	118.71 (12/9)	95.52 (6/3)	134.84 (11/1/73)	3.53 (30/6/32)
§Composite	101.86	101.19	100.16	101.05	99.90	99.75	106.98 (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

	Jan. 24	Jan. 17	Jan. 10	Year ago (approx.
Ind. div. yield %	4.96	4.97	4.91	[illegible]
Ind. P/E Ratio	9.06	9.01	[illegible]	8.74
Long Gov. Bond Yield	[illegible]	8.97	8.98	8.17

N.Y.S.E. ALL COMMON

Jan. 26	Jan. 25	Jan. 24	Jan. 23	1978-79 High	1978-79 Low
56.99	56.62	56.07	56.27	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Jan. 26	Jan. 25	Jan. 24
Issues Traded	1,881	1,876	1,880
Rises	950	1,026	650
Falls	520	451	827
Unchanged	411	389	403
New Highs	—	30	—
New Lows	—	5	—

MONTREAL

	Jan. 26	Jan. 25	Jan. 24	Jan. 23	1978-79 High	1978-79 Low
Industrial	232.26	231.67	230.75	230.28	25,226 (25/1/79)	162.90 (16/2)
Combined	256.67	255.79	254.49	254.17	256.67 (26/1/79)	170.82 (30/1)
TORONTO Composite	1379.5	1376.4	1368.7	1368.3	1379.5 (26/1/79)	998.2 (30/1)
JOHANNESBURG Gold	274.5	(c)	(c)	—	274.5 (26/1/79)	188.0 (20/4)
JOHANNESBURG Industrial	299.5	(c)	(c)	—	299.5 (26/1/79)	194.9 (13/3)

	Jan. 29	Previous	1978-9 High	1978-9 Low
Australia (¶)	(C)	571.37	573.12 (25/1/79)	411.19 (1/3)
Belgium (‖)	102.14	101.63	102.14 (29/1/79)	90.45 (23/6)
Denmark (**)	91.58	91.78	96.96 (14/6)	88.06 (30/10)
France (††)	77.3	77.4	95.0 (4/10)	47.6 (3/2)
Germany (‡‡)	826.5	821.00	865.8 (18/10)	759.4 (17/5)
Holland (§§)	84.4	84.5	93.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	(C)	543.05	707.70 (4/9)	383.4 (13/4)
Italy (‖‖)	70.93	71.37	82.35 (25/9)	55.65 (10/1)
Japan (a)	462.04	461.70	462.09 (29/1/79)	364.04 (4/1)
Singapore (b)	368.60	(C)	414.50 (6/9)	252.0 (9/1)
Spain (d)	(C)	93.59	98.79 (2/1/79)	93.03 (12/1/79)
Sweden (c)	384.31	383.08	408.00 (4/8)	326.74 (3/1)
Switzerl'd (f)	317.3	312.2	323.7 (14/2)	281.6 (26/9)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78-1979 high/low only. e Stockholm industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

NEW YORK

Stock	Jan. 26	Jan. 25
Abbott Labs.	35¼	34⅞
AM International	23½	23⅝
Aetna Life & Ca.	42⅞	42½
Airproducts	27½	26⅝
Alcan Aluminium	37¾	37½
Alcoa	54	52½
Alleg. Ludlum	17	17
Corning Glass	56⅝	57¼
CPC Int'rn'tional	50	50
Crane	30½	31
Crocker Natl.	28¼	28¼
Crown Zellerb'h.	34½	33⅞
Cummins Engine	36	35⅝
Curtiss Wright	14½	15⅛
Dana	28½	28¼
Johns Manville	24⅛	24⅛
Johnson Johnson	77¼	75½
Johnson Control.	27⅞	27⅝
Joy Manufacturg	32	32
K. Mar Corp	24⅞	24⅛
Kaiser Alumini'm	19	18⅝
Kaiser Industries	2⅛	2
Kaiser Steel	23⅝	23⅞
Kaneb Services	15	15
Revlon	53½	53⅝
Reynolds Metals	36⅝	37
Reynolds R.J.	58	58
Rich'son Merrell	24	24¼
Rockwell Inter	36	37½
Rohm & Haas	37	37
Royal Dutch	64¼	64⅛
RTB	12¼	12⅝
Ross Togs	10¼	10¼
Woolworth	20½	21
Wyly	5⅛	5
Xerox	58¾	59
Zapata	13⅝	13
Zenith Radio	14¼	14¼
U.S. Treas.4% '80	†94⅜	†94⅜
USTreas4¼%75/85	†78⅜	†78⅛
U.S. 90-day bills.	9.35%	9.32%

Stock	Jan. 26	Jan. 25
Warner-Lambert	26¼	26⅝
Waste-Man'ment	28¼	27½
Wells-Fargo	29⅛	29⅛
Weston Bancort	27⅞	28
Western N.Amer.	24½	24
Western Union	16	15⅞
Westing'he Elec.	19¼	18¾
Weyerhaeuser	28⅛	30
Whirlpool	18⅞	18½
White Con. Ind	19¾	20⅛
William Co.	17	17
Wisconsin Elect.	26½	26½

CANADA

Stock	Jan. 26	Jan. 25
Toronto Dom.Bk.	23¼	22⅞
TransCanPipeLn	18⅝	18½
Trans Mount Opt	9½	8⅝
Trizec	†15½	†15½
Union Gas	10¼	10¼
UntdSiscoe Mnes	8¾	8⅞
Walker Hiram	44½	44⅝
West Coast Trans	12	12⅛
Weston (Geo.)	23⅞	23⅛

† Bid. ‡ Asked. § Traded. ¶ New stock.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.

▽ Pta 500 denom. unless otherwise stated.

♣ DKr 100 denom. unless otherwise stated.

◎ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m% tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

GERMANY ◆

Jan. 29	Price DM.	+ or —	Div. %	Yld. %
AEG	71.8	—2.7	—	—
Allianz Versich.	502	+4	31.2	3.1
BMW	242.5	+0.1	28.12	5.8
BASF	137.0	+0.8	18.75	6.9
Bayer	137.2	+0.7	18.75	6.8
Bayer.Hypo	293.5	+0.5	28.12	4.8
Bay. Vereinsbk.	310	+4	28.12	4.5

TOKYO ¶

Jan. 29	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	361	—4	14	1.9
Canon	517	—1	12	1.2
Casio	559	—11	25	1.4
Chinon	390	+2	20	2.6
Dai NipponPrint	559	—2	18	1.6
Fuji Photo	749	+32	15	1.0
Hitachi	280	—4	12	2.1
Honda Motors	508	+5	18	1.8

AUSTRALIA

Jan. 26	Aust. $	+ or —
ACMIL (25 cents)	†0.71	+0.01
Acrow Australia	†1.05	
AMATIL $1	†2.35	—0.01
Ampol Exploration	†1.40	
Ampol Petroleum	†0.75	
Assoc. Minerals	†1.58	+0.08
Assoc. Pulp Paper $1	†2.20	+0.10
Assoc.Con.Industries	†1.86	—0.01

BRAZIL

Jan. 29	Price Cruz	+ or —	Cruz Div.	Yld. %
Acesita	0.93	+0.02	0.12	12.90
Banco do Brazil	1.52	—0.03	0.12	7.89
Banco Itau PN	1.69		0.37	21.89
Belgo Mi'eira OP	1.08		0.08	7.40
Lojas Amer O.P.	2.30	—0.10	0.20	8.69
Petrobras PP	1.90	—0.04	0.13	6.84
Pirelli OP	1.50		0.15	10.00
Souza Cruz OP	2.08	—0.01	0.21	10.09

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
Amro Bank	12½%	C. Hoare & Co.	†12½%
American Express Bk.	12½%	Julian S. Hodge	13½%
A P Bank Ltd.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	12½%
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COMMODITIES AND AGRICULTURE

Legal threat over sugar beet losses

By a Correspondent

MIDLAND SUGAR beet growers, who face losses of about £1m because of frost damage to their crops, have been told by the chairman of the National Farmers Union sugar beet committee that he is prepared to go to the High Court, if necessary, to try to obtain compensation for them.

Mr. Tom Morgan said: "The situation is tragic. I will do my best to get compensation for all growers who have fulfilled their contractual obligations, but whose beet has not been processed through no fault of theirs."

It is estimated that 60,000 tonnes of beet is still in the frozen ground, or rapidly deteriorating in storage clamps, on farms

The Kidderminster processing plant is now rejecting up to 30 per cent of all beet deliveries, but growers allege that their plight is due to the Sugar Corporation's mismanagement of the harvest.

They claim that if sugar beet supplies had not been diverted to Kidderminster, from outside the factory's area, their own crops would have been harvested and processed by now.

Latin American fishing boost proposed

By Hugh O'Shaughnessy

THE FISHING industry in Latin America could be quadrupled to yield up to 36m tonnes if its full potential were realised. At the same time, the provision of some basic facilities could rapidly cut the large quantities of fish which are wasted. The wastage in some areas amounts to 50 per cent of the catch.

This is stated in a report of the Action Committee of Sea and Fresh Water Fisheries of SELA, the Latin American economic group based in Caracas.

The SELA document suggests that Latin America's food deficit could be filled if the region's fish consumption could be pushed up from the present level of 1m tonnes to 20m tonnes. Whereas in the developed countries fish supplies 20 per cent of animal proteins consumed, in Latin America that proportion is no higher than 8.1 per cent.

Silver and copper prices advance to new peaks

BY JOHN EDWARDS, COMMODITIES EDITOR

SILVER PRICES rose to record levels and copper reached a new 20-month peak on London metal markets yesterday.

The London bullion spot quotation for silver was increased by 3p to 331.2p a troy ounce, and the market moved further ahead in the afternoon with the London Metal Exchange cash price closing 6.95p up at 334.9p.

Silver prices have moved up strongly since the New Year with U.S. speculators apparently deciding that it had become distinctly undervalued compared with gold and platinum.

The upsurge has been encouraged by a decline in the New York market warehouse stocks, signs of steady industrial demand and chartists suggesting prices should rise. The continued rise in gold and platinum—free market platinum reached a new sterling record price of £195.6 an ounce, up £5.30 yesterday—has given silver a further boost. So has the weakness of sterling against the dollar.

The rise in silver in New York also helped bolster copper prices at a time when the market was declining as profit-taking sales came in at the higher levels. As a result cash wirebars closed £10 up at £871.5 a tonne, despite increasing nervousness as to whether the upward trend can be sustained.

Copper prices have gained some £100 this month moving up steadily with only a few minor setbacks. Dealers feel that a technical reaction is long overdue after such a rise and this accounts for the bouts of profit-taking selling, especially by speculators who have been the most active buyers recently. It is thought that after a shake-out values will rise again, but this would depend on the strength of U.S. demand and whether the decline in warehouse stocks continues.

Decline

The U.S. Commerce Department in its 1979 industrial outlook forecast a 2 per cent fall in U.S. copper consumption this year to 3.3m tons due to fewer housing starts and a decline in automobile output. U.S. domestic copper use is predicted to remain stable in 1980 then rise at the rate of 3 to 3.5 per cent annually.

As expected, copper stocks held in the London Metal Exchange warehouses declined by 6,300 tonnes last week reducing total holdings to 324,550 tonnes. This is a fairly modest fall compared with those earlier in the month, but still means that copper stocks have fallen by nearly 50,000 tonnes in January.

A rise in tin stocks, up by 115 to a total of 1,615 tonnes, caused slight surprise after the reports last week of shipments being diverted from Europe to the U.S. However, a rise in the Penang market, and some U.S. trade buying interest, kept prices steady and cash tin closed £22.5 up at £6,972 a tonne.

Lead stocks were also up, 675 to 15,225 tonnes apparently contradicting reports of a big outflow from the LME warehouses. Prices ended the day marginally lower, but cash lead still remains at a substantial premium to the three months quotation reflecting a continued shortage of nearby supplies.

The steady build-up in aluminium stocks in the LME warehouses continues with another 3,400 tonnes raising total holdings to 12,775 tonnes. Zinc stocks rose by 50 to 68,425 tonnes, while LME silver holdings fell by 390,000 to 21,500,000 ounces.

World grain forecast raised

WASHINGTON — The total 1978-79 world grain crop, including milled rice, is now projected at 1,425m tonnes compared with 1,409m previously forecast and 1,326m estimated for last season, the U.S. Agriculture Department has announced

The department said the larger crop resulted from increased production estimates for maize in the U.S., wheat in the Soviet Union and Australia and wheat and coarse grains in Eastern and Western Europe.

Crop prospects have improved for maize and sorghum in Argentina, but deteriorated in South Africa because of drought conditions, the department said in its World Grain circular.

The latest projection is up substantially from the previous record of 1,354m tonnes produced in 1976-77.

Even though forecast usage is up 6m tonnes from the November estimate to 1,373m, stocks are expected to increase to 239m tonnes from 187m at the beginning of the 1978-79 year. The earlier projection put stocks at the end of the current season at 226m tonnes.

The increase in world usage reflects more coarse grain feed use in a number of areas of the world, USDA said.

World trade in total grains is expected to reach about 168m tonnes in 1978-79, up slightly from the November forecast and 1 per cent above the previous record 165m tonnes traded in 1977-78.

Meanwhile Canadian Government sources said Canada expects to sell as much wheat as it can ship this year despite its high prices and aggressive marketing by other exporters.

Present shipping and transportation problems rather than competition from the U.S., the EEC, Australia and Argentina are the major obstacles to expanding its export markets right now, they said.

Nevertheless, Canada is concerned about use of export subsidies, especially by the EEC. Mr. John O'Connor, director-general of the Canadian Trade Department's grain marketing office, described these subsidies as "troublesome."

Mr. O'Connor estimated Canadian wheat shipments in the marketing year ending July 31 at "a bit less than" last year's 16m tonnes and said ending stocks on that date should be around 13m tonnes. He said that shipments were running slightly behind last year and there were no great pile-ups.

NY futures merger plan detailed

By Our Commodities Staff

THE PROPOSED merger of the New York Cocoa Exchange and Coffee and Sugar Exchange took a further step forward yesterday when the Exchange released details of their proposals for consideration by members, report AP-Dow Jones.

If members approve a "simple financial merger of assets and liabilities" of the two exchanges will take place by mid-year, and cocoa trading would move to the Coffee and Sugar Exchange at the World Trade Center building where other commodity futures markets trade under the umbrella organisation of the Commodity Exchange Corporation.

Combined membership of the two exchanges would total 533 and members would be able to trade all three commodities.

Trading interest on the Cocoa Exchange is reported to have been depressed by the market's isolation from the other New York futures markets since they moved into the World Trade Centre nearly two years ago. Turnover on coffee and sugar has also been hit by the price decline in both commodities.

Australia and India seek iron ore price rise

NEW DELHI—Australia has agreed to consult with India on iaron ore export polocies in a bid to raise prices, Mr. Malcolm Fraser, the Australian Prime Minister said here yesterday.

He told newsmen the two countries would not form a cartel. "I don't believe it is healthy if groups of suppliers band themselves into a firm hard group and say we are only going to supply under these circumstances . . ." he said.

At the end of his talks with Mr. Moraji Desai, the Indian Prime Minister, Mr. Fraser said he agreed with the Indian view that iron ore prices needed "some upward movement."

Mr. Fraser said Japanese purchases tended to fix world iron ore prices. "Japan really organised herself very effectively and very efficiently. So that the sellers are really selling to one buyer." If there were several Australian companies and India, they were operating as independent units, but Japan had operated as a unified buyer, he said. Reuter

COMMODITY AGREEMENTS

Wide differences at cocoa pact talks

BY BRIJ KHINDARIA IN GENEVA

THE POSITIONS of the main participants in the conference on cocoa here are so wide apart that some delegates are even wondering why the four-week talks have been called at this time in the crowded calendar of international talks.

The conference, which aims to renew the 1975 International Cocoa Agreement that expires on September 30, will focus on a draft text for a new agreement prepared at International Cocoa Council meetings in London in October and December last year. The expectation is that at least one more session of meetings will be needed to complete the negotiations which began here yesterday.

The text, as it stands, shows fundamental differences of opinion on all the Agreement's key points. Despite the uphill tasks facing delegates there is general satisfaction that the U.S. which stayed out of the 1975 accord, is actively participating in the talks and will most probably enter any new agreement.

With an average annual consumption of 344,000 tonnes between 1974 and 1977 the U.S. is by far the world's largest buyer of cocoa, taking about 22 per cent of world exports. West Germany is second with 12 per cent, while the Soviet Union and Britain rank third and fourth with about 10 per cent each.

Loophole

While filling in a major loophole in the existing cocoa agreement, the U.S. participation has also brought problems because its delegation has taken positions quite different from those of other consuming nations on several key issues.

The battle lines as drawn at present represent a classic North-South confrontation, much more so than in other UNCTAD commodity negotiations, because all cocoa producers are in developing countries, with Brazil, Ghana, the Ivory Coast, Nigeria, Togo, and Cameroon leading the way.

The producers are now seeking a cast-iron buffer stock arrangement combined with "supplementary measures should the buffer stock mechanism alone prove inadequate to stabilise prices."

Some consumer nations are quibbling over the concept of supplementary measures against "other measures." Others insist that buffer stocks should be the sole instrument of price stabilisation.

Positions in the argument over price levels to be used in the arrangement are even wider apart and entire chapters in the text are under dispute. One of the arguments is whether the notion of daily and indicator prices should be retained now that the buffer stock system has been named as the specific stabilisation method to be used rather than the vaguer reference to "measures for maintaining the price of cocoa beans between agreed prices" contained in the 1975 Agreement.

COCOA PRICES rose sharply on the London futures market yesterday afternoon ending a five-day decline which had wiped nearly £100 off nearby values. The May position slipped to £1,751 a tonne during the morning but manufacturer buying in New York later sparked off a technical rally which boosted the May quotation to £1,798 a tonne at one time. At the close May cocoa was quoted at £1,782.5 a tonne, £25 above the pre-weekend level.

Producers want maximum and minimum prices with precise rules dictating when the stock manager will buy and when he will sell.

Several consumer nations are ready to go along with this proposal although they want changes in the buy and sell rules. But the U.S. is pushing for a reference price level with a maximum price point 20 per cent above and a minimum price point 20 per cent below. Buffer stock operations would be triggered at these price points.

Another difference is that producers want an annual review of the price range while the consumers prefer a biennial review. Some delegates also expect a tussle over the arrangement's duration. The producers would like renewal after three years while consumers prefer a five-year pact.

Exemptions, sought by producers of fine cocoa, from export quotas and from contributions to finance buffer stocks are still under discussion. A text proposed, while allowing the exemption, would make authorisation of import or export contingent on presentation of a Cocoa Council control document.

Negotiators must decide whether the buffer stocks shall hold only cocoa beans or cocoa producers as well, and whether their size will be 250,000 or 350,000 tonnes. Another suggestion is that a new paragraph should be added to prohibit the stock manager from making net purchases or net sales of more than 100,000 tonnes in any 12-month period. This is seen by producers as a limitation on the buffer stock system's effectiveness.

Mandatory

A major battle looms over how the buffer stock would be financed. The producers back a levy of one U.S. cent per pound charged on first export or first import of cocoa beans or the beans equivalent of cocoa products. However, consumer countries have proposed an alternative version allowing the charge to be made more than once and making it mandatory for both the importer and exporter countries to ascertain that the contribution has been paid.

There are three alternative versions of rules governing purchases and sales by the buffer stock. The producers' version sets the exact price levels and quantities to be bought and sold, and makes it mandatory for the Cocoa Council to meet if the price remains outside the agreed range even after intervention by the stock manager.

The consumers' version retains the concept of precise price points for trigger buying and selling but takes a more flexible approach to quantities and the manner in which the stock manager may buy stocks.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Moved ahead on the London Metal Exchange. Initially forward metal rose from £890 to £896 reflecting chartist short-covering. This level attracted profit-taking which pared the price to around £890 on the morning kerb. In the afternoon a downturn on Comex saw values marked down in London with forward metal easing to £888. Towards the close, however, the price picked up strongly, in the wake of silver, to close at £892 on the late kerb. Turnover: 18,550 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	871-.5	+6	871-2	+10
3 months.	890-.5	+7	890.5-1	+11
Settl'm.nt	871.5	+6	—	......
Cathodes				
Cash	857.5-8	+6	859-.5	+11.7
3 months.	877.5-8	+7	879-.5	+12.7
Settl'm.nt	858	+6	—	......
U.S. Smt.	—	......	*73-5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £871, three months £891, 90, 90.5, 90, 89, 89.5, 90, 90.5, 90. Cathodes, cash £857.5, three months £877, 77.5. Kerb: Wirebars, three months £890.5, 90. Afternoon: Wirebars, three months £889.5, 90, 89.5, 88.5, 88, 87.5, 88.5, 89, 89.5, 90, 90.5. Cathodes, cash £859, three months £879.5. Kerb: Wirebars, three months £892, 91, 91.5, 92, 91, 91.5, 92, 92.5, 93, 92.5, 92.

TIN—Slightly firmer. Forward metal opened a shade firmer at £6,910 owing to the modest gain in the Penang market on Saturday. Bull liquidation following the rise in warehouse stocks pared the price to around £6,875 at the start of afternoon trading but good buying against U.S. physical prompted a recovery to around £6,900 on the late kerb. Turnover: 1,240 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6965-75	......	6990-7000	+27.5
3 months	6910-20	......	6930-5	+17.5
Settlem't	6975	—5	—	......
Standard				
Cash	6950-5	—5	6970-5	+22.5
3 months	6885-90	—2.5	6905-10	+20
Settlem't	6955	—5	—	......
Straits. E.	†$1900	+5		
New York	—	......		......

Morning: Standard, cash £6,960, three months £6,890, 85, 80, 85. High grade, cash £6,960, 70. Kerb: Standard, three months £6,890. Afternoon: Standard, cash £6,970, 75, three months £6,880, 90, £6,900, £6,895, £6,900, £6,910. High Grade, three months £6,930, 35. Kerb: Standard, three months £6,910, 15, 10, £6,900, £6,880, 90, 80, £6,900.

LEAD—Marginally easier in fairly active trading, and tending to follow copper. After rising to £494 on the pre-market forward metal fell sharply to £481 in the rings following influential selling which triggered stop-loss selling. Thereafter a steadier trend developed with forward metal edging up to close at £485 on the late kerb. Turnover: 7,725 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	519-20	—6	515-7	—1.5
3 months	484-5	—2.5	481.5-2	—1.75
Sett'ment	520	—6	—	......
U.S. Spot.	—	......	*40.42	......

Morning: Cash £520, £512, £515, 16, 15, 17, 20, three months £488, 85, 86, 85.5, 82, 81, 82, 83, 84, 83.5, 84. Kerb: Cash £517, 18, three months £484, 84.5, 84. Afternoon: Early March £500, three months £484, 83.5, 83, 82, 81.5. Kerb: Three months £484, 83.5, 84, 84.5, 85, 84.5, 84.

ZINC—Stronger although below the day's highest levels. Forward metal rose to £381 on the pre-market reflecting the gains in copper and lead but then eased back to £374.5 prior to closing at £377.5. Turnover, 9,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	363-5	—2	364-5	+4.5
3 months	376-7	—1.5	376.5-7	+4.5
S'ment	365	—1.5	—	......
Prim.west	—	......	*34.5-35	......

Morning: Three months £376, 77, 76. Kerb: Three months £376. Afternoon: Three months £375, 74, 75, 74.5, 75, 75.5, 76, 76.5. Kerb: Three months £376, 76, 76.

ALUMINIUM—Firmer in quiet trading with the only feature of trading being a tightening of the nearby supply situation. Forward metal opened at £645 and dipped to £643 prior to closing at £645.5 on the late kerb. Turnover: 2,575 tonnes.

Alumin'm	a.m. Official	†+ or —	p.m. Unofficial	†+ or —
	£		£	
Spot	638-9	—1	641-3	+3.5
3 months	642.5-3	—.25	644-5	+1.25

COFFEE

Robustas opened unchanged to slightly lower and during a very quiet morning session when trading was thin and volume small prices fluctuated in a narrow range, reports DBL. The afternoon saw little change in market conditions but trade selling in the spot position remained the prominent feature throughout as values closed £10 lower to £10 higher with the exception of January which finished £67.5 down.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	1538-1540	—67.5	1560-1545
March	1369-1370	+10.0	1377-1352
May	1243-1245	......	1253-1240
July	1188-1190	—08.5	1195-1188
September	1141-1142	—02.0	1149-1139
November	1100-1102	—06.0	1114-1100
January	1070-1075	—10.0	1085-1070

Sales: 4,498 (4,466) lots of 5 tonnes.

ICO Indicator prices for Jan. 26 (U.S. cents per pound): Colombian Mild Arabicas 157.50 (160.00); unwashed Arabicas 135.00 (same); other Mild Arabicas 122.25 (122.83); Robustas ICA 1976 134.00 (same); Robustas ICA 1968 134.50 (same). Daily average 131.28 (131.38).

RUBBER

UNCHANGED opening on the London physical market. Little interest throughout the day, closing quiet. Lewis and Peat reported the Malaysian go-down price was 238 (same) cents a kilo nominal buyer, Feb.

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
March	58.30-58.50	58.20-58.25	58.50-58.20
April	59.00-59.30	58.90-58.95	—
Apr-Jne	59.70-59.80	59.70-59.75	59.85-59.75
Jy-Sept	61.70-61.75	61.70-61.75	61.90-61.70
Oct-Dec	63.75-63.80	63.65-63.75	63.85-63.70
Jan-Mar	65.75-65.90	65.70-65.75	—
Apr-Jne	67.80-67.90	67.75-67.80	—

AMERICAN MARKETS

NEW YORK, Jan. 29.

DESPITE new historic highs in silver futures, precious metals finished the session on a mixed note, due to mixed speculative activity prior to the release of the December U.S. balance of trade figures. Copper once again established new life-of-contract highs on steady Commission House buying following another sizeable decrease in LME warehouse stocks. Sugar eased under the weight of speculative and chartist selling while cocoa rallied sharply on manufacturer buying and Commission House short-covering, Bache reports.

CHICAGO, Jan. 29.

Lard—Chicago loose 24.75 (24.50). New York prime steam 26.25 nom.

‡‡Maize—March 233½-233¼ (233¾), May 242¾-242½ (243), July 247¾-248, Sept. 250¼, Dec. 254, March 261¼-261½.

Pork Belly—Feb. 62.25-62.50 (63.50), March 61.90-61.57 (62.75), May 62.65-62.50, July 62.85-62.95, Aug. 60.95. Sales: 7,320.

Silver—Feb. 662.0-662.25 (660.3), March 668.0 (665.6), April 672.5-673.0, June 681.0-680.0, Aug. 687.0, Oct. 694.5, Dec. 702.0-701.5, Feb. 710.0, April 718.5, June 727.0, Aug. 735.5, Oct. 744.5, Dec. 753.5 nom., Feb. 763.3 nom., April 772.9 nom., June 782.5 nom., Aug. 792.0 nom.

Soyabeans—March 694-695 (695¼), May 706-707 (708¼), July 716-715, Aug. 712-711½, Sept. 685, Nov. 674½-675, Jan. 682½, March 691½.

‖Soyabean Meal—March 186.50-186.80 (187.40), May 189.00-188.50 (189.20), July 190.30-190.00, Aug. 190.30, Sept. 189.50, Oct. 187.30-187.50, Dec. 185.50-186.80, Jan. 186.50-187.00.

Soyabean Oil—March 24.65-24.75 (24.96), May 24.92-24.95 (25.11), July 24.00-24.95, Aug. 25.09, Sept. 24.40, Oct. 23.90-24.00, Dec. 23.85-23.80, Jan. 23.80, March 23.80.

*Wheat—March 349¼-349 (350¼), May 329-328¼ (331½), July 314¼-315, Sept. 318, Dec. 329¼, March 337 nom.

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 59-lb bushel in store. †† Cents per 24-lb bushel. ‡‡ Cents per 48-lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ¶¶ C$s per tonne.

EUROPEAN MARKETS

ROTTERDAM, Jan. 29.

Wheat: U.S. No. 2 Dark Hard Winter, 13.5 per cent, mid-Jan./mid-Feb. $156, Feb.-March $156. U.S. Hard Winter wheat ordinary Feb. $155, March $155.

Maize: U.S. No. 3 Corn, Yellow AFL $123, Jan. $122, Feb. $120, March $118.75, April-June $116.75, July-Sept. $116.75, Oct.-Dec. $116.75.

Rye: U.S. No. 1/Canadian Western April-May $111.

Oats: U.S. Plate, Jan.-Feb. $97.50, Feb. $97.50, Feb.-March $100, March-April $100. Swedish spots $95.50. 1/Canadian Feed unquoted. Norwegian Feb. $107. 2/40 U.S. unquoted.

Sorghum—Argentine/U.S.-AFL $117, Jan. $117, Feb. $118.50, April-June $107.

Barley—U.S. No. 3/Canadian ½, all unquoted.

Soyabeans—U.S. 2 Yellow Gulfports, afloat, $281, Feb. $280.40, March $281.50, April $283.50, May $284, June, July, Aug. $285.25, Sept. 285, Oct. $270, Nov. $267.75, Dec. $270.75, Jan. $274.50, Feb. $278.25, March $279.75, sellers.

PARIS, Jan. 29.

Cocoa (FFr per 100 kilos)—March 1455-1460, with 1460 paid; May 1470-1475, with 1473 paid. Remainder nil.

Sugar (FFr per 100 kilos)—March 806-807 with 806 paid, May 830-835, July 845-850, Aug. 877-883, Oct. 905-912, Nov. unquoted, Dec. 925-940, March 970-984. Sales at call, 1. Accumulative total, 230.

INDICES

FINANCIAL TIMES

Jan. 26	Jan. 25	M'nth ago	Year ago
261.84	263.75	257.69	228.99

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Jan. 26	Jan. 25	Month ago	Year ago
Spot	373.17	373.34	384.71	347.73
F'tur's	368.78	368.56	383.58	330.93

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 26	Jan. 24	M'th ago	Year ago
Spie Comty	996.6	1000.6	978.1	902.5

(December 31, 1931=100)

REUTERS

Jan. 29	Jan. 26	M'nth ago	Year ago
1503.3	1503.8	1496.0	1399.5

(Base: September 18, 1931=100)

Brazil soya loss estimate

Grande do Sul Agriculture Secretariat in its latest bulletin said it estimates the State will lose 29 per cent of its forthcoming soyabean crop through dry weather.

Secretariat sources said, however, that this did not take into consideration rain which fell in many places over the weekend.

The loss could diminish if the weekend rain proves to have been beneficial, they added.

The secretariat's initial forecast for a State crop of about 6m tonnes has been reduced to around 4.2-4.3m, for the moment.

The bulletin also mentions the plague of caterpillars in the Cruz Alta, Santa Rosa, Rosario do Sul and Cachdeira do Sul regions due to high temperatures, but said these are under control.

Sr. Cyro Dias Da Costa, vice-president of the Fecotrigo Co-operative Federation in Porto Alegre, said the consensus at a meeting of associated Rio Grande do Sul co-operatives last Friday was that 20 per cent of the State's soyabean crop had been lost.

He said the weekend rain, which was not heavy and did not reach all parts of the State, may have stopped further damage for the moment.

But the loss estimate would increase again if it did not rain this week. Reuter

Higher tallow price forecast

NEW YORK—Tallow is expected to rise in price this year amid strong demand and a dip in output.

The U.S. Agriculture Department estimates annual U.S. tallow output at $1.4bn and industry officials say about half of that is exported. AP-Dow Jones

Emphasis on secondary issues as leaders drift lower at start of new Account—Variable coupon Gilts weak

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6

* "New time" dealings may take place from 9.30 am two business days earlier.

Leading shares opened a penny or two higher at the start of the new trading Account yesterday, anticipating a further slight improvement in the labour situation and, perhaps, even a settlement of one or more of the current disputes which are bearing heavily on UK industry. It was also hoped that the Government/TUC talks aimed at repairing their relationship might take some of the heat out of the wages situation.

Institutional operators were content to play a waiting game, however, and although a few small public investors showed interest in the leaders, the greater emphasis was again put on secondary stocks. Those making trading statements or which figured as week-end Press recommendations were particularly to the fore.

A subsequent downdrift in leading issues was aggravated by occasional selling orders later in the day and the FT Industrial Ordinary share index, which at 10 am had shown a small rise, closed at the day's lowest with a fall of 1.7 to 463.3. Mirroring the firmer trend of second-line shares, rises maintained Friday's two-to-one majority over falls in all FT-quoted industrials.

Sensitive still to the question of interest rates, Gilt-edged securities hovered either side of Friday's list levels before moving slightly firmer after the official close. The shorts tended to lead the way and the new £400m Variable 1983 coupon stock, announced late on Friday, made a good debut with the Government broker establishing the price at 94½.

The two existing Variables were sharply affected through switching and sustained losses of 1⅛ apiece, the 1981 stock closing at 96⅛ and the 1982 at 95⅞. Elsewhere in the shorts, gains extended to ⅛, after early losses of ¼, while many mediums and longs were being quoted ¼ higher in the late inter-office trade. Corporations were virtually untested.

Shaw Carpets 10 per cent Convertible Preference, issued by way of capitalisation to Ordinary holders, opened at 106p and edged forward to close at 108p.

Conditions in the investment currency market yesterday were quite active. The premium traded between extremes of 93⅞ and 92½ per cent in good two-way trading with demand evident for investment in Far-Eastern and U.S. securities and closed ⅞ up on balance at 93½ per cent. Yesterday's SE conversion factor was 0.6762 (0.6760).

Against last week's daily average of 641, only 411 contracts were completed in the Traded Option market yesterday with 135 being dealt in Courtaulds and 110 in Grand Metropolitan.

Wintrust higher

Favourable comment ahead of the dividend season which Lloyds is due to start on February 16 helped the major clearing banks hold steady to firm. Best levels were not held and Barclays closed 3 to the good at 380p, after 382p, while Lloyds touched 293p but ended unaltered at 290p. Elsewhere, buyers came for Wintrust which put on 4 at 77p, while Bank Leumi (UK) added 15 to 170p xd following the preliminary results.

Insurance Brokers achieved gains throughout the list in response to Press comment. Sedgwick Forbes, which returned to the market last week following publication of the proposed merger with Bland Payne, added 4½ to 398p xd.

News that Allied intends to raise beer prices by 3p per pint from February 14 resulted in leading breweries making early gains, but interest drifted off in later trading to leave most issues at pre-weekend levels. Allied closed a penny better at 83p, while Matthew Brown added 2 to 118p on the chairman's confidence about future trading. Interest in Distillery issues was generally confined to secondary stocks. Macdonald Martin, 630p, and Macallan-Glenlivet, 470p, both rose around 30 in restricted markets.

Quietly firm conditions prevailed among leading Building issues. Occasional speculative interest lifted Leyland Paint 4 to 95p and, mirroring trade that developed late on Friday, Vectis Stone put on 5 to 52p. In contrast, Brown and Jackson at 255p, gave back all of Friday's rise of 5 that stemmed from news that London Trust now holds a 10 per cent stake in the company. J.B. Holdings put on 2 to 53p following Press comment, while news of contracts worth £6.9m prompted a similar rise, to 112p, in Norwest Holst.

ICI edged forward to 355p initially, but drifted back to close a net 3 down at 350p. Small buying in a restricted market lifted Brent 10 to 210p, while Stewart Plastics, awaiting today's interim results, found a little late support and firmed 4 to 174p.

DIY's good again

Proceedings in the Stores market continued to be dominated by D-I-Y concerns which attracted another useful demand and secured further good gains. Up 28 last week in response to the record earnings and proposed 400 per cent scrip-issue, Status Discount added 7 more to 245p, while Home Charm put on 6 afresh to 268p, after 272p, and A. G. Stanley appreciated 4 at 200p. Renewed buying ahead of the interim figures expected early next month prompted a rise of 9 to 201p in MFI Furniture. Elsewhere, investment buying lifted Bambers 7 to 135p, after 138p, and Lee Cooper firmed 3 to 180p following small demand in a thin market.

The Electrical leaders closed a shade off in places after showing a slightly harder tendency at the opening. Scattered offerings ahead of today's interim statement left Decca 'A' 13 lower at 350p, while Laurence Scott, a recent take-over favourite, encountered selling and fell away to 92p before settling at 94p for a fall of 5 on balance. On the other hand, Ferranti firmed 10 to 345p and Ward and Goldstone met support at 110p, up 4. Still reflecting recent Press mention, Sound Diffusion hardened 2 further to 83p, while revived demand ahead of next Thursday's half-yearly results prompted a gain of 4 to 237p in Wholesale Fittings. Dealings were temporarily suspended in Best and May at 65p; the company announced yesterday that discussions are taking place which may lead to an offer.

Inclined harder initially, Engineering leaders eventually drifted of to close a few pence lower on balance. Hawker Siddeley eased 3 to 218p and falls of 2 were marked against GKN, 248p, and Tubes, 360p. Elsewhere, Weir Group responded to favourable Press mention with a rise of 5 to 90p, while Percy Lane gained 3 to 47p for a similar reason and Wm. Cook, up a penny at 25p, reflected satisfaction with the half-year results. Scattered demand left Spirax-Sarco 4 dearer at 166p and Whessoe a like amount up at 94p.

While leading Foods displayed narrow mixed movements, selected secondary issues made reasonable progress on the appearance of a few buyers. In supermarkets, William Morrison reflected small speculative interest with a gain of 5 to 97p an dHillards, interim results due February 7, added a like amount to 218p, after 220p. Late interest lifted Barker and Dobson a penny to 14½p. Sidney C. Banks found support at 88p, up 3, while news that Haygate had increased its stake in the company to 15.05 per cent prompted a gain of 2 to 76p in Carr's Milling.

In predominantly firm Hotels, Trust Houses Forte, ahead of the annual results on Thursday, held at 261p.

Bellair up

Starting the new Account quietly, the miscellaneous Industrial leaders plotted an irregular course in thin trading. After initial firmness to 606p, Beecham reacted to close 5 off at 600p, and Glaxo ended the same amount lower at 478p, after 485p. Bowater added 3 at 177p as did Reed International, to 156p. Secondary issues paraded several firm features, usually in response to weekend Press comment. For that reason, J. F. Nash Securities put on 6½ to 80pxd. Bellair Cosmetics 4 to 25p and European Ferries 3½ to 132p. Renewed speculative demand on bid hopes helped Gieves improve 4 to 107p, while investment buying prompted a rise of 4 to 148p in Vinten. Burco Dean relinquished 3 to 70p on the £1.2m rights issue announcement, while Liden, which announced last week that its accounts would be delayed for a month, declined 2 to 9p on adverse comment.

In the Leisure sector, small selling left lottery tickets concern Norton and Wright 5 cheaper at 140p.

Dealings in Volvo were resumed at the suspension price of £14 after the shareholders' rejection of the proposed deal to sell 40 per cent of the company to Norway. Other Motor and kindred issues closed narrowly mixed. Among gently firmer Distributors, British Car Auctions became a good market, rising 4 to 64½p, while Harold Perry put on 3 to 113p. Press mention lifted Plaxtons 5 to 115p, but adverse comment over Peak Investment's plans to sell its electronic interests to Nissa clipped a penny from the shares at 8p. In components, Lucas eased 4 to 278p, while Abbey Panels, despite the reduced preliminary profits, held at 52p.

In barely-tested Paper/Printing, Delyn hardened a penny to 20p following the upturn in taxable profits.

Despite Press comment pointing to an imminent rise in interest rates, Properties maintained a steady to firm trend. Gains of a penny or so were marked against the leaders including English at 43p awaiting further news of the bid discussions with Eagle Star. Elsewhere, Warnford Investment stood out with a Press-inspired gain of 12 at 372p, while Apex and Bradford added 2 apiece to 84p and 294p respectively for like reasons.

Scattered losses in the Oil leaders mainly reflected the absence of support. British Petroleum drifted off to close 6 cheaper at 890p, while Shell eased a few pence to 560p. Following termination of the merger talks with Cambridge Petroleum Royalties, dealings were resumed in Attock Petroleum which opened at 82p compared with the suspension price of 86p and eased to close at 78p.

Among Overseas Traders, Lonrho rose 3 to 67p in front of the preliminary results due tomorrow. S. and W. Berisford responded to publicity given to a broker's recommendation, adding 6 at 168p. Meat traders, Thomas Borthwick firmed 2 to 75p following the chairman's favourable remarks about current trading at yesterday's AGM. Depressed on Friday after the cessation of bid talks, J. E. Sanger recovered slightly, closing a penny to the good at 33p.

Small gains predominated in Trusts. Press mention stimulated buying interest in Yorkshire and Lancashire, up 1½ at 30½p. Among Financials, buying ahead of the interim results, due shortly, left Dalgety 7 to the good at 320p.

Shippings tended firmer again, with buyers showing interest in Reardon Smith 'A', 2½ better at 38½p, and Ocean Transport, 2 up at 113p.

Idle Textiles were again featured by speculative counters. David Dixon hardened 3 at 135p, while a reasonable turnover saw Sirdar touch a 1978/79 peak of 106p before closing a net 3 off at 103p.

Bats firmed 2 to 285p ahead of today's interim statement.

Platinums strong

Mining markets generally made a bright start to the week, with Platinums and South African Financials particularly in demand.

The former forged ahead in the wake of the buoyant free market platinum price and on consideration of Friday's news that Rustenburg had lifted its selling price by $25 to $325 per ounce.

Demand was widespread with American buying in evidence throughout the day. Rustenburg, which topped our list of active stocks, rose to a 1978-79 high of 152p before easing back to close 9 firmer on balance at 147p, while Impala advanced 16 to 234p and Lydenburg 10 to 100p.

A good performance by the bullion price—finally 75 cents higher at $235.875 per ounce—encouraged buyers of Golds and Financials.

After holding steady for most of the day gold shares picked up towards the close reflecting U.S. buying. The Gold Mines index put on 0.6 to 168.2, while the ex-premium index rose 0.4 to 113.7.

South African Financials advanced across a broad front. "Johnnies" rose ¾ to £17¾ reflecting their considerable platinum interests and Union Corporation added 5 to 330p for the same reason. Renewed buying from Johannesburg lifted General Mining 15 to a 1978-79 high of 430p. A useful upturn in U.S. markets late on Friday coupled with fresh buying from Johannesburg saw De Beers improve 12 to 444p.

London-based Financials all made good progress. The continuing firmness of copper prompted a 5 gain in Rio Tinto-Zinc. Gold Fields rose a like amount to 196p and Charter closed 7 up at 146p.

Although domestic markets were closed overnight for Australia Day, the Australian issues attracted a good deal of interest.

Take-over hopes were raised in Hampton Areas which traded at 152p prior to being temporarily suspended at the company's request pending an announcement.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 23	Feb. 5	Apr. 19	May 1
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Mar. 5	May 17	May 30

For rate indications see end of Share Information Service

Stocks favoured for the call included GEC, English Property, Burmah, UDT, Pacific Copper, KCA, Woolworth, Town and City, British Land, Tate and Lyle, Deelkraal Gold, William Press, John Brown, Elbief, Robert Kitchen Taylor, Rustenburg and Bougainville. A put was completed in William Press, while double options were arranged in Mersey Docks, Deelkraal and KCA.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	10	5	65
Corpns., Dom. and Foreign Bonds	11	5	47
Industrials	399	202	918
Financial and Prop.	151	45	312
Oils	6	9	23
Plantation	9	1	22
Mines	63	19	57
Recent Issues	7	6	73
Totals	656	293	1,457

FINANCIAL TIMES STOCK INDICES

—	Jan. 29	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	A year ago
Government Secs.	66.54	66.56	66.47	66.47	66.99	67.00	75.84
Fixed Interest	68.20	68.57	68.56	68.88	69.18	69.39	79.44
Industrial	463.3	465.0	461.9	461.0	467.5	473.1	470.0
Gold Mines	168.2	167.6	171.0	176.0	160.1	159.5	154.6
Gold Mines (Ex-$ pm)	113.7	113.3	116.2	119.2	109.5	109.5	117.0
Ord. Div. Yield	6.22	6.19	6.24	6.30	6.22	6.18	5.69
Earnings, Y'ld % (full)	16.28	16.21	16.33	16.52	16.31	16.14	17.34
P/E Ratio (net) (*)	7.96	8.00	7.94	7.83	7.93	8.01	8.17
Dealings marked	4,267	3,904	3,661	3,457	3,782	4,817	6,300
Equity turnover £m.	—	78.91	72.48	75.35	66.83	53.74	64.96
Equity bargains total	—	12,822	11,876	12,084	11,937	11,290	12,568

10 am 465.5. 11 am 465.0. Noon 464.7. 1 pm 464.4. 2 pm 464.5. 3 pm 464.5.

Latest Index 01-246 8026.

*Nil=7.74.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	66.47 (24/1/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	68.20 (29/1/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (12/1/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	153.5 (14/8/78)	90.3 (12/1/78)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Jan. 29	Jan. 26
—Daily		
Gilt Edged	126.2	126.8
Industrials	146.1	125.6
Speculative	37.0	52.8
Totals	97.1	88.9
5-day Avr'ge		
Gilt Edged	121.1	129.6
Industrials	127.4	130.8
Speculative	46.1	48.3
Totals	88.7	89.7

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (49)

AMERICANS (1): Reliance
CANADIANS (4): Bank of Montreal; Pacific Pet.; Hudson's B. Oil Gas; Royal Bank of Can.
BANKS (2): Wintrust; Sterling Credit
BEERS (1): Macallan-Glenlivet
BUILDINGS (2): Lafarge S.A.; Norwest Holst
CHEMICALS (1): British Benzol
STORES (6): Bambers; MFI Furniture; Bolton Textile; Pawson (W. L.); Dewhirst; Status Discount
ENGINEERING (4): Birmingham Mint; Swan Hunter; Cohen (A.); United Engineering
FOODS (2): Banks (Sidney C.); Carr's Milling
INDUSTRIALS (2): English & Overseas; Provincial Laundries; N.C.R. 4pc '93-98
LEISURE (1): Horizon
MOTORS (1): British Car Auction
PROPERTY (2): Bradford Prop.; Warnford Inv.
Newspapers (1): [illegible]
TEXTILES (2): [illegible]
SOUTH AFRICANS (1): [illegible]
TRUSTS (3): [illegible]
OVERSEAS TRADERS (2): [illegible]
MINES (11): [illegible]

NEW LOWS (11)

BRITISH FUNDS (2): Elect. 3½pc '76-79; Treasury 3pc 1982
CORPORATION LOANS (3): G.L.C. 12½pc 1983; L.C.C. 5½pc '85-87; Glasgow 9½pc '80-82
BUILDINGS (1): Aberdeen Constrctn.
ELECTRICALS (1): Decca A
ENGINEERING (1): Tace
INDUSTRIALS (2): Gomme Hldgs.; Thermal Syndicate
TRUSTS (1): Akroyd & Smithers

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
Rustenburg Plat.	R0.10	9	147	+ 9	152	70
ICI	£1	8	350	− 3	421	328
Barclays Bank	£1	7	380	+ 3	398	296
Lloyds Bank	£1	7	290	—	306	242
NatWest Bank	£1	7	285	—	300	250
Blue Circle	£1	6	262	+ 1	303	220
BP	£1	6	890	− 6	954	720
Burmah Oil	£1	6	91	—	95	42
Courtaulds	25p	6	110	—	131	109
Dunlop	50p	6	83	− ½	90	62
GEC	25p	6	317xd	− 1	349	233
Marks & Spencer	25p	6	85	—	94	67½
Shell Transport	25p	6	560	− 2	602	484
Thorn Elect.	25p	6	348xd	+ 7½	400	308
BAT Inds.	25p	5	285	+ 2	346	260

BOND DRAWINGS

IRELAND
U.S.$ Bonds 9% 1985

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.$900,000 due 1st March, 1979 has been met by purchases in the market to the nominal value of U.S.$416,000 and by a drawing of Bonds to the nominal value of U.S.$484,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as *follows:—*

31	57	79	102	125	168	190	214	235	258
280	299	344	370	393	413	442	469	489	509
550	587	610	641	662	684	706	730	759	788
810	844	873	917	957	983	1007	1031	1060	1085
1131	1163	1213	1242	1265	1288	1367	1383	1415	1436
1463	1494	1513	1534	1583	1615	1642	1664	1707	1729
1756	1778	1800	1847	1871	1911	1934	1961	1981	2011
2038	2059	2082	2104	2128	2180	2202	2234	2264	2307
2327	2347	2370	2392	2415	2438	2458	2482	2502	2552
2574	2594	2616	2638	2661	2682	2704	2725	2753	2776
2796	2822	2854	3017	3041	3063	3138	3174	3195	3232
3258	3307	3366	3393	3435	3465	3487	3511	3587	3609
3780	3805	3826	3848	3885	3906	3928	3948	3970	3999
4025	4050	4072	4093	4114	4138	4157	4188	4212	4235
4257	4287	4327	4349	4370	4407	4432	4452	4476	4497
4519	4540	4612	4634	4656	4679	4699	4722	4744	4765
4787	4808	4836	4859	4881	4903	4925	4953	5022	5049
5076	5109	5135	5164	5184	5209	5235	5260	5282	5312
5338	5360	5386	5408	5430	5470	5493	5513	5537	5557
5577	5601	5622	5645	5667	5689	5711	5732	5762	5783
5807	5838	5864	5895	5925	5948	5969	5993	6018	6080
6103	6148	6171	6193	6214	6247	6268	6291	6311	6368
6393	6431	6480	6518	6549	6572	6763	6802	6857	6890
6934	6957	6981	7003	7071	7092	7124	7169	7194	7253
7288	7309	7357	7401	7423	7517	7554	7594	7661	7699
7751	7779	7800	7856	7917	7959	7983	8056	8080	8101
8123	8144	8177	8204	8273	8308	8331	8355	8376	8397
8420	8453	8475	8496	8528	8549	8571	8592	8624	8645
8667	8689	8713	8733	8757	8782	8815	8837	8858	8882
8911	8950	8972	8995	9015	9067	9130	9154	9174	9196
9218	9240	9262	9284	9307	9328	9355	9377	9396	9420
9442	9464	9522	9544	9566	9670	9720	9771	9792	9814
9838	9868	9903	9924	10127	10250	10273	10294	10314	10338
10359	10381	10487	10507	10529	10551	10842	10862	10885	10906
10928	10949	10971	10993	11015	11035	11059	11079	11102	11123
11143	11165	11188	11208	11231	11252	11275	11296	11317	11343
11366	11388	11441	11473	11496	11517	11537	11560	11582	11605
11644	11669	11690	11710	11733	11755	11777	11799	11819	11842
11865	11889	11909	11933	11954	11974	11997	12019	12038	12061
12081	12106	12126	12146	12210	12233	12252	12275	12297	12320
12340	12361	12384	12406	12428	12449	12470	12494	12513	12576
12610	12642	12664	12683	12707	12752	12776	12796	12817	12860
12880	12903	12925	12946	12968	12989	13013	13147	13236	13595
13619	13639	13663	13725	13750	13800	13824	13845	13873	13900
13931	13952	13973	13996	14018	14037	14061	14062	14120	14140
14162	14185	14206	14230	14249	14271	14294	14387	14433	14453
14474	14499	14518	14564	14588	14610	14632	14654	14674	14697
14719	14742	14761	14783	14807	14827	14848	14872	14892	14915
14934	14958	14980	15000						

On 1st March, 1979 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S.G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB.,

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st March, 1979 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$6,900,000 nominal amount of Bonds will remain outstanding after 1st March, 1979.

The following Bonds previously drawn for redemption on dates as shown below, have not yet been presented for payment.

1st March, 1972

4608

1st March, 1974

14223

1st March, 1977

24	153	644	713	791	1215	1609	2245	6374	6762
6889	6983	8480	8952	11078	11683				

1st March, 1978

165	539	593	639	741	770	798	1373	1517	1890
1650	1904	2151	2242	2855	3160	3220	3461	3872	3774
3811	3914	4086	4138	4149	4181	4230	4253	4506	4532
4799	4830	4841	4865	4889	4945	5417	5725	5944	6267
6723	6517	6791	6851	6987	7766	7800	7971	8099	8249
8334	8581	8891	8926	9036	10828	12293	13085	13717	13727
14039	14215	14603	14616	14741	14777				

30, Gresham Street, London, EC2P 2EB. — 30th January, 1979

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	1000	4	5	15	—	—	—	892p
Cons Gold	200	10	—	15½	5	21	30	196p
Courtaulds	110	7	—	10½	[illegible]	[illegible]	[illegible]	110p
Courtaulds	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	317p
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	111p
Grand Met.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	352p
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Land Secs	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	246p
Land Secs	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Land Secs	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	85p
Shell	550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	560p
Shell	600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			[illegible]		[illegible]		[illegible]	
		February		May		August		
BOC Intl.	60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	68p
BOC Intl.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Boots	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	187p
EMI	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	137p
EMI	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Imperial Gp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	85p
RTZ	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	253p
RTZ	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
RTZ	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			[illegible]		[illegible]		[illegible]	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+or−	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	—	64	59	Arlen Electrical	64	+1	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	[illegible]	[illegible]	Ashton Mining	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	[illegible]	[illegible]	Gosforth Ind.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Harris Queensway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hunting Assoc. Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	‡‡IAS Cargo Airlines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	M.Y. Dart Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	‡‡Stil.'c'reShop...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+or−
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Assoc. Dairies 9¼% Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Colne Valley Water 8% Red Prf 1983	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Findlay 8% Cnv. Cum. Red. Prf.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hawley Leisure 15% Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	‡‡IAS Cargo Airlines 6% Cnv. Pf.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mid Kent Water 8% Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rivington Reed 9½% Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Scarpe 10% Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Shaw Carp'ts 10% Cnv. 2nd Cum. Pref. £1	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+or−
60	F.P.	[illegible]	76	67	Associated Biscuit	75	−1
125	Nil	—	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
45	F.P.	[illegible]	[illegible]	[illegible]	Foster (John)	[illegible]	[illegible]
230	F.P.	[illegible]	[illegible]	[illegible]	Haslemere Estates	[illegible]	[illegible]
250	Nil	[illegible]	[illegible]	[illegible]	Metal Box	[illegible]	[illegible]
105	Nil	[illegible]	[illegible]	[illegible]	Neill & Spencer	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Poseidon	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sun Ryan Intl.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sutcliffe Speakman	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Usher Electrical Defd.	[illegible]	[illegible]
28	F.P.	[illegible]	[illegible]	[illegible]	York Fine Woollen	37	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Jan. 29, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri. Jan. 26 Index No.	Thurs. Jan. 25 Index No.	Wed. Jan. 24 Index No.	Tues. Jan. 23 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	228.71	−0.1	17.63	5.78	7.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (73)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS (DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS (NON-DURABLE) (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (40)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (57)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (115)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (111)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	220.77	[illegible]	[illegible]	5.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Mon. Jan. 29	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS — Br. Govt. Av. Gross Red.

		Mon. Jan. 29	Fri. Jan. 26	Year ago (approx.)
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]

	Mon., Jan. 29 Index No.	Yield %	Fri. Jan. 26	Thur. Jan. 25	Wed. Jan. 24	Tues. Jan. 23	Mon. Jan. 22	Fri. Jan. 19	Thur. Jan. 18	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

‡ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

AUTHORISED UNIT TRUSTS

Midland Bank Group
Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	70.2	76.7	+0.1	5.11
Do. Accum.	83.0	90.7	+0.2	5.11
Growth	37.6	40.4	......	3.30
Do. Accum.	40.7	43.8	+0.1	3.30
Capital	26.9	28.9	......	3.87
Do. Accum.	29.6	31.9	......	3.87
Income	52.7	56.7	+0.1	6.94
Do. Accum.	61.4	66.1	+0.1	6.94
International	46.0	49.7	......	2.40
Do. Accum.	49.4	53.3	......	2.40
High Yield	62.0	66.8	......	8.73
Do. Accum.	67.7	72.9	......	8.73
Equity Exempt*	105.2	111.0	......	5.68
Do. Accum.*	105.2	111.0	......	5.68
Japan & Pacific	51.5	54.8	−0.2	0.84
Do. Accum.	51.5	54.8	−0.2	0.84

*Prices at Jan. 26. Next dealing Feb. 2.

CORAL INDEX: Close 461-466

INSURANCE BASE RATES

†Property Growth	12%
†Vanbrugh Guaranteed	11.75%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

J.E.T. Managers (Jersey) Ltd.
P.O. Box 98, Channel House, Jersey. 0534 73673

Jersey Extrnl. Tst.	167.0	177.0	......	—

As at Dec. 29. Next sub. day Jan. 31.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$291.89	......	2.60
Jardine J'pn.Fd.*	HK$415.66	......	0.80
Jardine S.E.A.	$US17.59	......	2.00
Jardine Flem.Int.	HK$12.02	......	—
Intl.Pac.Secs.(Inc.)	HK$13.67	......	—
Do. (Accum.)	HK$13.86	......	—

NAV Jan. 15. *Equivalent US$87.38. Next sub. day January 31.

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy.C1 0534 73741

CMF Ltd. Jan. 25	$US14.45	14.82	+0.21	—
CMT Ltd. Jan. 25	£14.81	£15.20	+0.58	—
Metals Tst. Jan. 18	£12.93	13.25	......	6.30
TMT Jan. 11	US$10.66	10.94	......	—
T.M.T. Ltd. Jan. 11	£10.57	10.84	......	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$16.14	+0.02	—

Wren Commodity Trust
10-12, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	102.2	103.2	......	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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Over Fifteen Years

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LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed	98	......	—	13.10
22	6	Chinese 4½pc 1898	18½	......	—	—
35	4½	Do. 5pc 1912	31	......	—	—
20½	4½	Do. 5pc 1925 Boxer	18	+½	—	—
415	350	German Yng. 4½pc.	415	......	4½	—

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47¼% (based on US$1.9943 per £)
Conversion factor 0.6762 (0.6760)

CANADIANS

S.E. List Premium 47¼% (based on $2.3820 per £)

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FOOD, GROCERIES—Cont.

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O.F.S.

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DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
156	64	Bougainville 50 Toea	152	-1	†Q8c	1.4	3.3
133	63	BH South 50c	133	+3	—	—	—
820	150	Central Pacific	475	......	—	—	—
336	148	Conzinc Riotinto 50c	300	-4	‡Q10c	2.2	‡
32	19	Cultus Pacific N.L.	27	......	—	—	—
27	9½	Endeavour 20c	19	......	—	—	—
82	45	G.M. Kalgoorlie $1	77	......	—	—	—
68	18	Haoma Gold N.L.	36	......	—	—	—
158	81	Hampton Areas 5p	152#	......	♦3.55	2.0	3.5
40	10	Metals Ex. 50c	34½	+1½	—	—	—
257	125	M.I.M. Hldgs. 50c	257	+2	†Q9c	1.7	2.2
22	10	Minefields Expl.	15	......	—	—	—
65	10	Mount Lyell 25c	65	......	—	—	—
56	12	Newmetal 20c	28	-1	—	—	—
143	79	North B. Hill 50c	125	+1	Q8c	1.3	4.0
16½	8½	Nth. Kalgurli	14	......	—	—	—
50	12	Nth. West Mining	30	......	—	—	—
178	115	Oakbridge $A1	127	......	Q12c	1.9	10.7
42	10	Otter N.L.	30	......	—	—	—
95	30	Pacific Copper	95	+5	—	—	—
£15½	725	Pancont'l 25c	900	......	—	—	—
40	12	Paringa M&Ex. 5p	19	+½	—	—	—
570	310	Peko-Wallsend 50c	495	-2	Q15c	♦	1.9
300	150	Southern Pacific	185	-3	—	—	—
164	84	Westn. Mining 50c	159	-2	Q3c	0.7	1.2
100	35	Whim Creek 20c	60	......	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	25	......	2.81	1.3	16.8
435	240	Ayer Hitam $M1	435	......	Q300c	0.5	14.8
60	45	Beralt Tin	52	......	4.0	♦	11.5
305	190	Berjuntai $M1	255	-5	†Q110c	1.0	10.1
185	111	Geevor	145	-3	H5.57	5.8	5.7
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	310xd	-4½	18.0	♦	8.7
320	130	Hongkong	300	......	12.5	♦	6.2
93	64	Idris 10p	68xd	+1	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	76	......	†Q12.5c	2.1	3.5
255	133	Killinghall $M1	255	......	—	—	—
470	280	Malay Dredging $M1	445	+5	Q175c	0.7	8.4
78	40	▲Pahang	50	......	—	—	—
78	50	Pengkalen 10p	63xd	-3	4.5	♦	10.7
270	165	Petaling $M1	225	......	Q120c	♦	11.5
87	49	Saint Piran	77	......	†2.03	6.5	3.9
70	47	South Crofty 10p	57	+2	†4.19	2.0	11.0
245	140	South Kinta $M0.50	190	+3	†‡Q145c	0.6	16.4
370	230	Sthn Malayan $M1	365	-3	Q190c	1.0	11.2
240	134	Sungei Besi $M1	240	......	mQ65c	5.3	5.8
85	55	Supreme Corp. $M1	75	......	7Q10c	—	2.9
103	84	Tanjong 15p	103	......	6.60	0.8	9.6
270	148	Tronoh $M1	245	......	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	87	......	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	68	......	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
300	165	Cons. Murch. 10c	270	+5	—	—	—
465	245	Northgate C$1	410	+10	—	—	—
268	164	R.T.Z.	263	+5	9.5	2.8	5.4
90	30	Sabina Inds. C$1	43	......	—	—	—
£12	687	Tara Exptn. $1	880	+18	—	—	—
215	120	Yukon Cons. C$1	215	+10	Q7c	2.9	1.5

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$12⅝	+⅛	Q190c	♦	17.3
$11¼	830c	East Drie R1	985c	+5	Q115c	♦	13.4
585c	330c	East Rand Prp. R1	415c	+15	Q10c	—	—
$28⅞	$16½	F.S. Geduld 50c	$22⅞	-¼	Q315c	2.4	16.2
$15⅝	975c	Pres. Brand 50c	$12½	-⅛	Q150c	3.2	13.8
$13⅞	900c	St. Helena R1	$11⅞	+⅛	Q190c	1.4	18.6
486c	313c	Stilfontein 50c	485c	+18	Q66c	2.3	15.7
$22⅞	$16¼	Vaal Reefs 50c	$20½	+¾	Q280c	♦	15.7
$37	$25	West Drie R1	$30¾	......	†Q385c	1.7	14.4
$31¼	$19	West Hldgs. 50c	$26¼	+½	Q415c	1.4	17.9
$15	895c	Western Deep R2	$11⅝xd	+¼	Q147½c	2.4	14.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

▲ Sterling denominated securities which include investment dollar premium.
■ "Tap" Stock.
* Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
† Interim since increased or resumed.
‡ Interim since reduced, passed or deferred.
‡‡ Tax-free to non-residents on application.
♦ Figures or report awaited.
†† Unlisted security.
# Price at time of suspension.
§ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
♦ Merger bid or reorganisation in progress.
‡ Not comparable.
♦ Same interim; reduced final and/or reduced earnings indicated.
‡ Forecast dividend; cover on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
♥ Excluding a final dividend declaration.
♠ Regional price.
II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

" Recent Issues " and " Rights " Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sheffield Brick	51	......
Ash Spinning	109	+4	Sheff. Refrshmt.	70	......
Bertam	15	+1	Sindall (Wm.)	120	......
Bdg'wtr. Est. 50p	320	......	**IRISH**		
Clover Croft	28	......	Conv. 9% '80/82	£89	......
Craig & Rose £1	615	......	Alliance Gas	110	......
Dyson (R. A.) A	35	......	Arnott	370	......
Ellis & McHdy	69	......	Carroll (P.J.)	88	......
Evered	27	......	Clondalkin	96	......
Fife Forge	52	......	Concrete Prods.	140	......
Finlay Pkg. 5p	21	......	Heiton (Hldgs.)	45	......
Graig Ship. £1	130	......	Ins. Corp.	160	......
Higsons Brew	70	......	Irish Ropes	110	......
Holt (Jos) 25p	252	......	Jacob	52	......
I.O.M. Stm. £1	235	+3	T.M.G.	185	-5
Pearce (C. H.)	201	......	Unidare	87	......
Peel Mills	23	......			

OPTIONS
3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	30
A. Brew	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	8	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	17		
Beecham	35	Legal & Gen.	14	**Property**	
Boots	15	Lex Service	7	Brit. Land	3¼
Bowaters	16	Lloyds Bank	22	Cap. Counties	4½
B.A.T.	24	"Lofs"	4	E.P.	5
British Oxygen	6	London Brick	5	Intereuropean	4
Brown (J.)	20	Lonrho	5	Land Secs.	16
Burton 'A'	12	Lucas Inds.	25	MEPC	12
Cadburys	5	Lyons (J.)	10	Peachey	8
Courtaulds	10	"Mams"	7	Samuel Props.	9
Debenhams	8	Mrks. & Spncr.	10	Town & City	1¼
Distillers	15	Midland Bank	25		
Dunlop	7	N.E.I.	12	**Oils**	
Eagle Star	11	Nat. West. Bank	22		
E.M.I.	14	Do. Warrants	10	Brit. Petroleum	45
Gen. Accident	17	P & O Dfd.	8	Burmah Oil	5
Gen. Electric	18	Plessey	8	Charterhall	3
Glaxo	40	R.H.M.	5	Shell	28
Grand Met.	9	Rank Org. 'A'	18	Ultramar	20
G.U.S. 'A'	20	Reed Intnl.	12		
Guardian	18	Spillers	3	**Mines**	
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd	20	Thorn	22	Cons. Gold	14
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday January 30 1979

Gundelach to keep up price freeze drive

BY CHRISTOPHER PARKES

MR. FINN-OLAV GUNDELACH, Common Market Agriculture Commissioner, is pressing ahead with his campaign for a freeze on "Common" farm prices in Europe, he confirmed in London last night.

He has shelved until next year plans for monetary changes which would have led to reductions in farm earnings in the "hard currency" members of the Nine (West Germany and the Benelux countries), he said.

There were fears in West Germany and Benelux that "green money" adjustments, to reduce value in national currencies of prices fixed in units of account, would have cut incomes.

The Commissioner still plans to propose monetary adjustments in Britain, France, Ireland and Italy which will give farmers in those countries some price increases.

For the UK he is expected to put forward changes worth a price rise of some 5 per cent.

Although he fully supported the British hard line on a general no-change policy, Mr. Gundelach also had some bad news for Mr. John Silkin, the Minister of Agriculture.

He will propose a heavy tax on all milk production exceeding last year's output. There would be no exemptions, he said, except for small-scale dairy producers who depended almost entirely on milk for their diving.

Mr. Silkin plans to expand dairying in Britain, and has been campaigning vigorously to drive out of business the small producers Mr. Gundelach is so eager to protect.

The Commissioner said the money raised from the levy would be returned to national governments to help stimulate milk and dairy products consumption.

He had tried in the past to reduce support-buying prices for milk products, but since thath ad failed he did not feel tempted to try again.

Mr. Gundelach claimed that the confrontation between Community Ministers was not as bitter as had been suggested.

He maintained that there was still general agreement among the Nine on the need for strict price controls to help limit surpluses.

While he would not propose "green money" adjustments for West Germany and Benelux, he would aim at a start next year. By then, he said, given a "careful" approach, he might even be able to relax the "freeze" on prices of some commodities.

The Commissioner will present his proposals to the 13-man Commission in Brussels tomorrow. If approved the package will be passed on to the Agriculture Council meeting on Monday.

British officials suggested that the plans might prove too controversial for some of Mr. Gundelach's colleagues, and that next week's Council meeting might be cancelled.

Vice-President Deng's U.S. message

'We must work for world peace'

BY JUREK MARTIN AND COLINA MACDOUGALL IN WASHINGTON

Chinese Vice-Premier Deng Xiaoping claps his hands as he steps from his aircraft on arrival at Andrews Air Force Base.

THE U.S. and China were duty bound to work together to promote world peace, security and stability, Chinese Vice-Premier Deng Xiaoping declared in Washington yesterday.

In remarks on the White House lawn marking the official beginning of his nine-day visit to the U.S., the Vice-Premier noted that the factors making for war were visibly growing in the world today. But he was possibly seeking to avoid an overt confrontation with the American policy of detente; since his brief speech did not mention the Soviet Union by name.

Mr. Deng said in a similar conciliatory vein that he was carrying a message of friendship from the Chinese to the American people. He recalled 200 years of contacts between the two peoples, and dismissed the period of "unpleasantness" which had characterised the past 30 years.

President Jimmy Carter said that normalisation should lead to fruitful contacts in several areas of bilateral interest. Vice-Premier Deng would be able to see and experience the American nation, and the U.S. would have the chance to experience China. "Seeing once is worth a hundred descriptions," the President said, quoting an old Chinese proverb.

The opening ceremonies were marred briefly by two young people who began shouting slogans: "Traitor Deng beware," and "Long live Mao and the gang of four." They were quickly dragged away from the Press stand by secret servicemen.

Outside the White House, groups supporting Taiwan marched and chanted, their voices drifting over the White House lawns.

But the traditional cordialities so evident this morning may mask more hard-hitting discussions between President Carter and his guest over the next two days. Vice-Premier Deng is likely to argue forcefully that the Soviet Union does present a threat to world peace.

The Vice-Premier made this explicit in an interview given to Time Magazine before he left Peking, which was published here yesterday. Mr. Deng referred to the Soviet Union as the "hotbed of war," and said that the U.S. was in "strategic retreat."

He added: "If we really want to be able to place curbs on the polar bear, the only thing is for us to unite."

He accused the Soviet Union of always bullying the soft and fearing the strong, and suggested that in the near future, the Soviet strategic force might surpass that of the U.S.

He endorsed those in this country who opposed the conclusion of a strategic arms agreement between the U.S. and the Soviet Union, which he saw as enhancing Soviet military might.

President Carter, on the other hand, is likely to emphasise that the U.S. hopes to maintain a balanced relationship with both the Soviet Union and China, though as a Pacific power, it has a particular interest in ensuring peace in the Pacific Basin.

It sees the good relations between both China and Japan, and China and itself, as important and hopeful factors in this assessment.

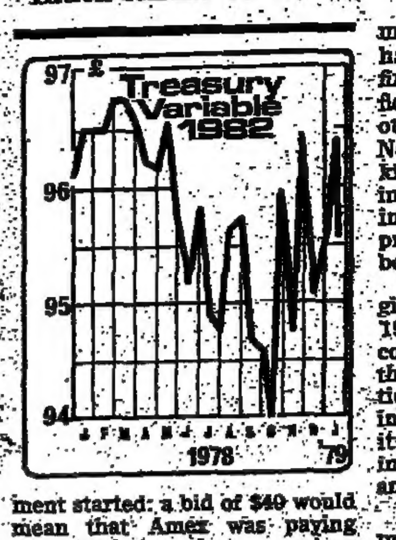
Hope for early frozen assets pact with China, Page 4

THE LEX COLUMN

Big discount for new Variables

The first two variable rate gilt-edged stocks have provided quite a haven from the storms of the past few months, but holders suffered a bit of a jolt yesterday when the Government broker proved a willing seller of his latest variable rate stock, colloquially known as V3, at a price as low as 94¼. As a result V1 and V2 shed the best part of a point each, a reminder of what can happen when the authorities attack a section of the gilt-edged market which has been effectively untapped for some time.

Index fell 1.7 to 463.3



In pricing the new stock so far below par the authorities have underlined the deficiencies of the formula which they unwisely adopted for the first variable rate stock nearly two years ago, and have now repeated twice more. The coupon is linked to Treasury bill rate—a discount rate, currently some 12.1 per cent— and not to the yield on Treasury bills which is more like 12.5 per cent. So when interest rates are high the V stocks have to stand at a significant discount to give an acceptable running yield. That means the capital risk is not as minimal as it should be.

Amex-McGraw

American Express has had its nose bloodied three times in unsuccessful take-over moves in recent years, and the way things are going McGraw-Hill is likely to do it again. Having had its first offer of $34 a share turned down with aggressive contempt, Amex is now proposing to offer $40—so long as M-H promises not to oppose it with "propaganda, litigation or otherwise."

There has been plenty of this so far. M-H has filed a barrage of suits in both State and Federal Courts, and has asked the Federal Trade Commission to intervene. The battle has also put Amex under an uncomfortable spotlight. It has been wriggling uncomfortably in the face of allegations that its earnings record is not quite as impressive as it seems, and that its growth is about to be crunched by new competition in travellers' cheques and credit cards, and by a cyclical downturn in its insurance business.

Its best hope now must be to drive wedges between big M-H shareholders, and to raise the spectre of class actions against the M-H Board by dangling in front of them an offer which looks generous on strict financial grounds. M-H was trading at under $25 before the excitement started: a bid of $40 would mean that Amex was paying around 16 times latest earnings and something like $700m of goodwill for such interests as Business Week and Standard and Poors. But M-H does not seem to want Amex at any price.

Thos. W. Ward

A year ago Thos. W. Ward welcomed the Hyde recommendations on inflation accounting and the company was one of the first large groups to comply. But this year's annual report omits any mention of inflation accounting although the chairman states that "we still need to improve the real rate of profit if we are to satisfy the future needs of the business and provide adequate dividends for shareholders."

Ward, with a heavy investment in stock and work in progress, is vulnerable to inflation, and shareholders may wonder why current cost disclosures have been abandoned just ahead of a probable rise in the UK inflation rate. The answer, apparently, is that Ward does not believe there is an adequate consensus on what are suitable inflation adjustments. Yet surely there is more of a consensus now than there was a year ago.

Pilkington

Pilkington's decision to take stakes in two Brazilian glass companies for £14.5m follows its general strategy of securing wide geographical spread for its float glass manufacturing interests. Latin America is a tempting market—the only float glass plant there at present belongs to a Pilkington associate in Mexico.

Unable directly to attack the major western economies, as it had been forced through earlier financial constraints to sell the float process under licence to other companies in Europe, North America and Japan, Pilkington has been building up an impressive set of manufacturing interests elsewhere. Recent profit figures have shown the benefit of these investments.

When float glass licences begin to run out in the early 1980s this manufacturing income will be essential to offset the loss of earnings from royalties. In addition, Pilkington's investments now should assure it strong competitive advantages in countries such as Scandinavia and South Africa by then.

So Brazil looks a good idea in principle. But Pilkington is being curiously coy about the advantages of this particular deal, giving no trading details about the two companies except to say that they are profitable.

Pilkington's record may allow shareholders to take a good deal on trust but a few more details about this rather complicated business might be reassuring.

Cyclical indicators

A gloomy view of the economic cycle comes from brokers Panmure Gordon in their latest quarterly review of cyclical indicators. Many of the relationships plotted are now showing cyclical turning points, corresponding to a move by the economy into a recessionary phase. The immediate implications for the financial markets are judged to be bearish, for current developments point to rising liquidity pressures in the corporate sector during 1979. On paper, company profits could look reasonably good this year, but there will be a surge in stock appreciation reflecting large rises in wage costs and a less favourable trend in raw material prices.

Still, Panmure Gordon are not prophesying another 1974. On their charts that year looks like an aberration, and most of the economic indicators have since moved back near to their pre-1974 trend lines. The snag is that the trend lines in most cases are going the wrong way, so that the financial markets will have to cope with the transition to recession from a base which is generally less favourable than in 1976, the corresponding year of the last "normal" cycle.

Bank workers oppose general extension of working hours

BY NICK GARNETT, LABOUR STAFF

A FIRM LINE against the general extension of bank opening hours was adopted yesterday by a special delegate conference of the National Union of Bank Employees. Where extended opening can be negotiated the union will seek a 28-hour working week.

This is likely to make it more difficult for the clearing banks, most of which have drawn up schemes for lengthening opening hours, to negotiate changed banking times at their branches.

However, the delegate conference did leave the door open part of the way and the banks will use this to try to negotiate new schemes, principally involving extended weekday opening.

The conference of representatives from almost all the union's 220 area branches decided to oppose the opening of domestic bank branches on Saturdays and if necessary consider industrial action to support that view.

This was generally in line with the recommendation from the union's executive and is of no surprise to bank managements.

The conference also agreed to oppose any general extension of opening hours, Monday to Friday inclusive, apart from special cases. These normally refer to air and seaports or shopping centres with special banking problems.

This represents a firmer position than the executive's recommendation. The delegates decided that no extension of hours, Monday to Friday will be considered until proper negotiating procedures including, in the case of the English clearing banks, national machinery have been established.

The clearing banks' national negotiating machinery is in disarray although the conference decision implies that there may be a considerable number of cases involving altered opening times on which the union might be prepared to negotiate.

The conference decided that, in all cases involving opening hours outside existing hours, the total basic working week must be reduced with adequate agreed safeguards on staffing levels. There should be no increase in the 35-hour week or the number of days worked by members at the branches concerned.

Where extended opening hours are proposed, the union will aim to negotiate a four-day 28-hour working week, excluding Saturdays and Sundays, and for an increase in staffing levels.

A substantial premium based on percentage of salary will be required to be paid to all staff depending on the nature of the hours to be worked.

Help urged for home buyers

By Michael Cassell

A FINANCIAL safety net should be established to help people with lower incomes who run into financial difficulties after ingbuying their own homes, according to "Roof," the Shelter magazine.

UK hopes for £100m Argentine naval order

By Hugh O'Shaughnessey and Ian Hargreaves

British manufacturers of naval equipment are expected to secure about £100m of sub-contracting work when Argentina confirms its order shortly for six frigates worth some £500m from the West German yard of Blohm and Voss.

It was given a provisional contract in the middle of last year and is understood to have won the contract outright after hesitation by the Bonn government about the deal. These reservations were caused by the prospect of war between Argentina and Chile over the Beagle Channel dispute.

Bonn had not wanted to approve an arms contract with a country on the brink of war, but the danger of hostilities has receded. The Pope agreed last week to mediate in the dispute.

Rolls-Royce is likely to supply Marine Olympus engines for the vessels. David Brown the gearboxes and Hawker Siddeley the engine room controls. Westland is in the running for any helicopters for the warships.

There is natural disappointment among British companies about the loss of the main order for which Vosper Thornycroft, a subsidiary of British Shipbuilders, was bidding hard.

However, they take some consolation from the Export Credits Guarantee Department being able to book new British business with Argentina. Had the frigate deal gone through, ECGD's quota for Argentine business and its ability to give cover might have been exhausted.

Pilkington buys stake in Brazil companies

BY ANDREW TAYLOR

PILKINGTON BROTHERS is to pay about £14.5m for strategic stakes in two Brazilian glass manufacturing companies. The deals will give Pilkington an interest in South America's first float glass plant.

In the past five years Pilkington has earned more than £120m in royalties and technical fees from its revolutionary float glass manufacturing process. It has been seeking to use some of that to expand its glass-making activities.

The deals will give Pilkington a 38 per cent stake in Providro, which makes sheet glass and 50 per cent of Santa Lucia Cristais Blindex, which produces safety glass.

Pilkington will be in partnership with BSN Gervais Danone, a French-based conglomerate with significant glass interests through its West German subsidiary, Flachglas. BSN will hold identical stakes in the two Brazilian companies.

The Brazilian companies reported combined net assets of U.S.$38m (£19m) at the end of 1977 but Pilkington has declined to disclose profits.

The most important aspect of the deals, however, will be Pilkington's interest in a new float glass plant to be built y Providro and Santa Marina, another Brazilian glass manufacturer.

Construction of the new plant is to start this year and might cost £70m at current prices. Pilkington has a 35 per cent stake in a float glass operation in Mexico and owns two float plants in Canada. It also owns a sheet glass company in Argentina.

The float glass process, in which molten glass is floated on molten tin, is used under licence by manufacturers in many countries, including the Soviet Union, Japan and the U.S. In 1977-78 Pilkington earned £33m pre-tax profit from float glass royalties: 46 per cent of total group profits of £72m.

Continued from Page 1

Amex improves terms

chairman and chief executive of American Express, describes the fierce opposition to the deal as a "scorched earth" policy which could damage McGraw-Hill's business, "making the transaction less desirable to us or any other possible bidder."

McGraw-Hill has argued that if its publishing and credit-rating businesses were taken over by American Express their credibility, and therefore their business prospects, would be damaged by potential conflicts of interest. American Express is a financial conglomerate, and McGraw-Hill controls Business Week magazine and the Standard and Poors credit-rating concern.

In an effort to meet that criticism American Express yesterday offered to work out arrangements designed to secure their editorial independence modelled on "arrangements in effect with respect to the Economist in London and other important publications." It is unlikely, however, that American Express would want to surrender part of the equity in McGraw-Hill's magazine interests.

● Editorial independence at the Economist is protected by a self-perpetuating board of trustees first appointed in 1929. The trustees can veto the removal of the editor and must also agree to the appointment of a new editor.

A clause confines the largest shareholder, the Financial Times, to a maximum of half of the shares, thus preventing any one owner having effective control.

BL to recall 5,100 men

By Kenneth Gooding

BL is to recall 5,100 laid off at the Austin Morris plant at Cowley, Oxford, tomorrow and a further 2,600 at the neighbouring Pressed Steel Fisher factory which supplies bodies for Cowley.

It is understood that haulage companies which ship components to Cowley have settled with their drivers and normal supplies are getting through to the plant.

The first Cowley layoffs were made on Tuesday last week and by the weekend the plant was at a standstill. Now there will be only 200 laid off within the Austin Morris volume cars division of BL, at a factory in Coventry which rebuilds engines.

Ford's production is still well below normal levels and the impact of the dispute continues to reverberate around the group's European operations.

With East coasts ports it usually employs still locked tight, Ford has found other methods of getting its components distributed.

It has, for example, been airlifting some parts from the Dagenham plant via Stansted to Hailwood on Merseyside and to the factory at Genk in Belgium.

Continued from Page 1

Hauliers revise offer

settled with their drivers on the union's claim. This is a small proportion of the 48,000 hire and reward haulage companies operating in Britain. Many of these, however, are owner drivers who are not strictly affected by the union's claim.

Hauliers in Scotland were now making company settlements with their drivers since union officials there had decided to drop sanctions against any employer who agreed to meet the union's full money claim.

Philip Rawstorne writes: Some 10,000 of the 40-50,000 lorry drivers had return to work, Mr. Merlyn Rees, Home Secretary, told the Commons yesterday. Speaking on the day when BL announced that it would tomorrow recall 7,700 men laid off at the Cowley car plant and the Pressed Steel Fisher factory, he said, the movement of supplies through the ports was improving. Normal operations were being resumed at ports in East Anglia, more goods were beginning to move from Hull, and there was practically no picketing at Avonmouth.

Mr. Rees said that the Government had pressed the transport unions for a strict application of the picketing code of practice at the docks and inland container terminals. They had been told it was vital that there should be no obstruction of priority supplies or of any goods carried by vehicles not involved in the dispute.

Pressed by Tory MPs about allegations of intimidation by pickets, Mr. Rees retorted that those who did not report such cases to the police "deserve what they get."

Amid protests, he added later: "They have to trust the police. They will be protected."

Mr. Rees told MPs that industrial production had now fallen to about 85 per cent of normal and that some 250,000 workers had been laid off.

Weather

UK TODAY

CLOUDY with sleet or snow showers, dying out later. Maximum temperature 5C (41F).

London, S.E. England, E. Anglia, N.E. England

Cloudy. Sleet or snow.

Cent. S. England, Channel Isles, W. Country, S. Wales

Early fog patches. Scattered showers.

Midlands, N.W. England

Dry and bright. Early fog patches.

Isle of Man, Ulster

Misty at first. Rain or snow later.

Scotland

Bright at first. Cloudy later.

Highlands and Islands

Rain. Snow on hills.

● **Outlook:** Cold with rain or snow in parts. Frost and fog patches.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	C	2	36	Madrid	C	7	45
Athens	C	16	61	M'chstr	F	3	37
Bahrain	S	18	64	Melbne.	S	31	88
Beirut	S	17	63	Milan	Fg	5	41
Belfast	C	1	34	M'ntreal	C	4	38
Belgrd.	C	15	59	Moscow	Sn	0	32
Berlin	Sn	−2	28	Munich	C	1	34
Bmghm.	S	2	36	Nwcstl.	C	1	34
Bristol	C	2	36	N. York	C	5	40
Brussels	C	2	36	Oslo	Sn	−9	16
Budpst.	R	5	41	Paris	C	5	41
B. Aires	S	27	81	Perth	S	30	86
Cairo	S	21	70	Prague	Sn	0	32
Cardiff	C	3	37	Reykjvk.	Sn	−5	23
Chicago	S	−4	24	Rio J'o	R	24	75
Cologne	C	2	36	Singapr.	S	30	86
Cpnhgn.	Sn	−1	30	Stckhm.	C	−5	23
Ednbgh.	F	3	37	Strasbg.	C	2	36
Frankft.	C	1	34	Sydney	S	23	73
Geneva	S	4	39	Tehran	S	1	34
Glasgow	S	2	36	Tel Aviv	S	17	63
Helsinki	S	−5	23	Tokyo	C	4	39
H. Kong	C	23	73	Toronto	C	−4	26
Jo'burg	C	27	80	Vienna	C	4	39
Lisbon	C	11	52	Warsaw	C	−2	28
London	C	5	41	Zurich	C	2	36
Luxmbg.	C	0	32				

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	11	52	I.o.Man	C	4	39
Algiers	F	15	59	Istanbul	F	14	57
Biarritz	C	12	54	Jersey	R	5	41
Blackp'l	C	2	36	L. Plms.	C	18	64
Bordx.	R	6	43	Locarno	C	7	45
Boulgn.	C	3	37	Malta	C	15	59
Cas'b'ca	F	16	61	Nairobi	C	21	70
Cape T.	S	22	72	Naples	C	13	55
Corfu	R	16	61	Nice	S	13	55
Dbrvnk.	R	13	55	Nicosia	S	18	64
Faro	F	13	55	Oporto	C	12	54
Florence	C	11	52	Rhodes	F	17	63
Funchal	C	19	67	Salzbrg.	Sn	1	34
Gibrltr.	C	14	57	Tangier	F	16	61
G'rnsey	C	5	41	Tunis	C	15	59
Innsbrk.	Sn	1	34	Valencia	S	14	57
Invrnss.	Sl	−1	30	Venice	C	4	39

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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